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MINISTRY OF LABOUR & EMPLOYMENT ORDER

New Delhi, the 29th May, 1959.

S.O. 1257.—Whereas for the purpose of enabling the Central Government to fix rates of wages in respect of working journalists a Committee was constituted under sub-section (1) of section 3 of the Working Journalists (Fixation of Rates of Wages) Ordinance, 1958 (3 of 1958), by the notification of the Government of India in the Ministry of Labour & Employment No. S.O. 1121, dated the 14th June, 1958;

And whereas the said Committee continued to function under section 14 of the Working Journalists (Fixation of Rates of Wages) Act, 1958 (29 of 1958);

And whereas the recommendations of the said Committee have been received by the Central Government;

And whereas the Central Government has accepted the said recommendations subject to certain minor modifications hereinafter specified, being modifications which, in the opinion of the Central Government, do not effect important alternations in the character of the recommendations;

Now, therefore, in exercise of the powers conferred by section 6 of the Working Journalists (Fixation of Rates of Wages) Act, 1958 (29 of 1958), the Central Government hereby—

- (a) makes an order in terms of the recommendations of the Committee contained in chapter III of its report which is reproduced in the Schedule hereto annexed subject to the following modifications, namely:—

In paragraph 8 of the said chapter III—

- (i) for the words “news agency is transferred”, the words “news agency is or has been transferred” shall be substituted;
 - (ii) the words “until the newspaper or news agency is reclassified in accordance with the provisions of paragraph 21” shall be inserted at the end of the paragraph; and
- (b) directs that the said order shall come into operation in respect of the recommendations of the Committee on dates specified in paragraph 30 read with paragraph 41 of the said chapter III.

REPORT OF THE WORKING JOURNALISTS WAGE COMMITTEE

We, the undersigned members of the Working Journalists Wage Committee, submit this report to the Government of India regarding fixation of wages of working journalists. The report is divided into three chapters. The first chapter deals with the constitution of our Committee and the procedure adopted by us in collecting material for making our recommendations. The second chapter explains the reasons for the recommendations. The recommendations themselves are set out in the third chapter.

CHAPTER I—CONSTITUTION OF THE COMMITTEE AND THE PROCEDURE ADOPTED BY IT

1. *Constitution of the Committee.*—On the 2nd May, 1956, the Central Government constituted a Wage Board under section 8 of the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955 (which will be referred to hereafter as the Act of 1955), for fixing rates of wages in respect of working journalists. The Board consisted of three representatives of the employers and three representatives of the working journalists and was presided over by Shri H. V. Divatia, retired Judge of the Bombay High Court. The Board gave its decisions which were published in the *Gazette of India* on the 11th May, 1957. Many of the decisions were unanimous but some relating to important matters such as scales of wages were majority decisions being the decisions of the representatives of the working journalists with which the Chairman agreed. For sake of convenience the Board will be referred to in this report as the Wage Board and its decisions as the Wage Board decisions.

2. The validity of the decisions of the Wage Board was challenged in the Supreme Court by writ petitions filed by the Express Newspapers (Private) Ltd., and several other newspaper establishments. The writ petitions were filed in June 1957 and subsequent months. They were all heard together and the judgment of the Supreme Court was delivered by Justice N. H. Bhagwati on the 19th March, 1958. The Supreme Court held the decisions of the Wage Board to be *ultra vires* mainly on the ground that the Board in arriving at its decisions had not considered the capacity of the newspaper industry to pay wages at the rates fixed by the Board. The judgment is of considerable importance to the work of the Committee and will be frequently referred to in this report. It will be convenient to refer to it merely as the judgment of the Supreme Court, any other judgment of that Court being referred to by the name of the case in which it has been delivered. References to the pages of the judgment of the Supreme Court in Express Newspapers case should be understood as references to the pages of the judgment as reported in (1959) SCR Part I.

3. As a result of the judgment of the Supreme Court, the President of India promulgated on the 14th June, 1958, an Ordinance called the Working Journalists (Fixation of Rates of Wages) Ordinance, 1958, for the fixation of rates of wages in respect of working journalists in the light of that judgment and all other relevant circumstances. The Ordinance was replaced by an Act of the same name which came into force on the 16th September, 1958. It will be convenient to refer to these two statutes as the Ordinance of 1958 and the Act of 1958 respectively.

4. Under section 3(1) of the Ordinance of 1958, the Central Government, by notification No. S.O. 1121, dated the 14th June, 1958, published in

the *Gazette of India* on the same date, constituted our Committee as follows:

- (1) Shri K. Y. Bhandarkar, Secretary to the Government of India, Ministry of Law, New Delhi.
- (2) Shri K. N. Subramanian, I.C.S., Joint Secretary to the Government of India in the Ministry of Labour and Employment, New Delhi.
- (3) Shri R. C. Dutt, I.C.S., Joint Secretary to the Government of India in the Ministry of Home Affairs, New Delhi.
- (4) Shri T. R. V. Chari, Principal Information Officer, Ministry of Information & Broadcasting, New Delhi.
- (5) Shri S. Vaidyanath Aiyar, F.C.A., President of the Institute of Chartered Accountants, New Delhi.

Shri K. Y. Bhandarkar, officer of the Ministry of Law is, according to section 3(1) of the Ordinance, the Chairman of the Committee. Shri G. Venkatasubramaniam of the Ministry of Law was appointed Secretary to the Committee.

5. The Committee was constituted under the Ordinance of 1958 but by virtue of section 14(2) of the Act of 1958 it must be deemed to have been constituted under that Act. Shri S. Vaidyanath Aiyar died on the 5th February, 1959. Government did not fill up the vacancy probably because they felt that as the greater part of the work of the Committee was over it was not necessary to do so. The report containing our recommendations has consequently been signed by the remaining four members of the Committee.

6. *Procedure of the Committee.*—As required by section 4(1) of the Ordinance of 1958, we issued a notice calling upon newspaper establishments and working journalists and other persons interested in the Wage Board decisions to make, within a period of thirty days from the date of the notice, such representations as they might think fit as respects the Wage Board decisions and the rates of wages which might be fixed under the Ordinance in respect of working journalists. The notice was published in the *Gazette of India* on the 18th June, 1958. It was also published in 53 daily newspapers in this country so as to give sufficiently wide publicity to it.

7. The period of one month allowed by the notice expired on the 18th July, 1958. Within that period, 57 representations were received from newspaper establishments, 32 from working journalists, 11 from unions and associations of working journalists, 4 from associations of newspaper establishments, 3 from news agencies and 10 from other persons. Forty-two representations were received after the due date. We have duly considered the representations received during the prescribed period and have also looked into those which were received later though we were not bound to do so.

8. One of the important points we have to consider in the light of the judgment of the Supreme Court is the capacity of the newspaper industry to pay wages to working journalists. For this purpose, we selected in all 41 newspaper establishments. This selection was so made as to secure a fair cross-section of the industry. Newspapers were included from all important centres in the country and also from all relevant income groups. The Press Trust of India, the only important national news agency of this country, was also included. A list of the newspapers and

news agencies examined by us, including those specially selected for study, is annexed to this report (Annexure I).

9. Having selected the newspapers, we considered it necessary to have their financial position examined closely since the veracity of their accounts had been doubted in some quarters. The object we had in mind was to obtain a true and correct picture of the financial position of the establishments in order to enable us to assess correctly the capacity of the industry to pay wages to working journalists. We accordingly appointed 22 Income-tax officers as Authorised Officers under section 5(3) of the Ordinance of 1958 on the 18th July, 1958, and allotted the selected newspaper establishments to them. Detailed directions were issued to the Authorised Officers for ascertaining the real financial position of the establishments and they were asked to send their reports by the 31st August, 1958. The time had to be extended in many cases and reports from all Authorised Officers were received by the end of October, 1958.

10. Sub-section (6) of section 5 of the Act of 1958 provides that any information obtained by an Authorised Officer in the exercise of any of his powers and any report made by him shall, notwithstanding anything contained in the Act, be treated as confidential, but that nothing in the sub-section shall apply to the disclosure of any such information or report to the Central Government or to a Court in relation to any matter concerning the execution of the Act. We are, therefore, bound to keep the reports of the Authorised Officers confidential and can make them available only to the Central Government or to a Court in relation to matters mentioned in the sub-section. Under section 4(3) of the Act of 1958, we have to make our recommendations to the Central Government and the order made by the Central Government together with our recommendations has to be published in the Official Gazette as required by section 6(3) of the Act of 1958. Since our recommendations are ultimately to be published in the Gazette and since section 5(6) does not permit disclosure of information obtained, or report made, by Authorised Officers, and much less the publication of the information in the Gazette, we are unable to disclose any such matter in this report. We have recorded a separate note setting out the conclusions to be deduced from these reports and that note will be available to the Central Government or the Court as contemplated by section 5(6). The note is, in fact, a comprehensive one which sets out the profits of the newspaper establishments examined by us and the burden which they will have to bear as a result of the Act of 1955 and our recommendations. On the basis of these facts and other relevant factors the Note attempts to assess the capacity of each of them to pay the wages recommended by us.

11. We had also been collecting information on various other matters relevant to our work. Thus we asked for information about awards, settlements, etc., on the points relevant to our inquiry. We also called for information about the scales of wages, etc., in other comparable fields of employment. The selected newspaper establishments were asked to furnish information about their staff etc., in order to enable us to assess the extra burden which may fall on them as a result of the provisions of the Act of 1955 and the scales of wages which may be recommended by us.

12. When reports from most of the Authorised Officers were received we decided to hold oral hearing of interested parties. Rule 2 of the Working Journalists (Fixation of Rates of Wages) Rules, 1958, provides that the Committee shall, before making any recommendations to the

Central Government, give an opportunity of being heard to any person who has made a representation to the Committee if he makes a request in writing to be heard. The proviso to the rule gives power to the Committee, instead of hearing individually every person who makes such a request, to hear only such persons as, in its opinion, are sufficiently representative of any class of or group of persons involved. For oral examination, we selected four centres, *viz.*, Delhi, Madras, Bombay and Calcutta and at these centres we examined all those who had a right to be heard under rule 2. We also heard representatives of all newspaper establishments for which Authorised Officers were appointed, the representatives of the more important of the associations of newspaper establishments and of working journalists and also several others. Many of the local associations of working journalists expressed their desire not to be heard because they were fully represented by the central association, *viz.*, the Indian Federation of Working Journalists. The examination commenced on the 13th October, 1958, and ended on the 17th December, 1958. All persons examined by the Committee, whether on their own behalf or as representatives of newspaper establishments, associations of working journalists, etc., were given full opportunity to present their case and place their suggestions before us.

13. A question we had to consider was whether we should publish our proposals in a tentative form for comments of interested parties before finalising them. Neither the Act of 1958 nor the Rules made thereunder contain any provision requiring this procedure to be adopted. In view, however, of the remarks made by the Supreme Court when dealing with the procedure which should be adopted by Wage Boards, we considered it proper that we should adopt the above procedure as being fair to the parties concerned. Our recommendations might materially affect the parties and we felt that it would be just that they should know what our proposals were and should have a proper opportunity of making representations in regard to such proposals before they were finalised. Section 5(1) of the Act of 1958 gives us the power to regulate our own procedure and in exercise of this power, we decided to publish our tentative proposals for comments.

14. The tentative proposals were ready on the 24th December, 1958 and were made available to all interested parties. A little earlier, on the 19th December, 1958, we published a notice inviting newspaper establishments, working journalists and other persons interested in the fixation of wages of working journalists to make representations in regard to those proposals. The notice was published in the same fifty-three papers in which the first notice was published. By the notice, time for making representations was allowed up to the 19th January, 1959, but it was subsequently extended up to the 2nd February, 1959. In all, 178 representations were received within the prescribed period, of which 44 were from newspaper establishments, 85 from working journalists, 26 from unions and associations of working journalists, 4 from associations of newspaper establishments, 3 from news agencies and 16 from other persons. Twenty more representations were received after the due date.

15. When the representations were received we noticed on reading them that some further material would have to be collected for assessing the burden which might fall on newspaper establishments as a result of the provisions of the Act of 1955 and the scales of wages which we might recommend. We, therefore, directed a further examination of this matter to be undertaken so as to obtain as accurate an estimate of such burden as possible. For this purpose, we appointed four teams of officers, each

headed by a Research Officer, to visit each of the newspaper establishments for which Authorised Officers had been appointed as also those establishments which were examined by us. Directions were given to these teams as to the points on which information was to be obtained. Forms of statements according to which information was to be supplied had been sent to the establishments concerned. The teams of officers were directed to obtain relevant information from the establishments themselves and check it with reference to their books. Opportunity was to be given to the representatives of associations of working journalists concerned to challenge or comment on the information supplied to the officers. The burden statements so prepared were in most cases signed by the representatives of the employers and of the working journalists in order to indicate their acceptance of the same.

16. The officers completed their work by the 17th April, 1959. The information was analysed and collated and as a result of all this work it has been possible to make a more accurate estimate of the burden which may fall on the establishments as a result of the recommendations made by us. The estimate of burden which may fall on each of the newspaper establishments examined is set out in the note referred to at the end of paragraph 10 above.

17. It will be convenient at this stage to deal with an objection taken to the procedure adopted by us. The Hindustan Times Ltd., has in the representation sent with its letter dated the 31st January, 1959, objected to our procedure as violating substantial requirements of justice. This objection is urged on the ground that the management was denied opportunity of stating its case in reply to the case set up by the other party, *viz.*, the working journalists, that the parties have had no opportunity of correcting or contradicting any statement prejudicial to their views and that our method of conducting the enquiry led to the consideration of different view-points *ex parte*, which is against natural justice. The Act of 1958 requires us to make recommendations to the Central Government for the fixation of rates of wages in respect of working journalists and for this purpose the Act authorises us to make enquiry and collect relevant material. The Act nowhere provides that in collecting the material or undertaking the enquiry we should follow the procedure of the regular Courts. In particular, the Act does not state that the representation made by, or the evidence tendered by, one party should be put to the other and the latter should be given an opportunity to correct or contradict it.

18. The Act does contemplate that the parties should have access to the representations made and the documents furnished to us as evidence. Section 5(2) of the Act gives right to the parties to obtain inspection of such documents. It was open to this establishment as to any other interested party to inspect these documents and to make representation on any point made in them. Copies of even the evidence recorded by the Committee have been freely furnished by the Committee when asked for. We had, however, to draw a line at the matter which section 5(6) of the Act requires to be kept confidential, *viz.*, information obtained by Authorised Officers and the reports made by them.

19. The Supreme Court has dealt extensively with the question of the procedure which a Wage Board has to follow. We do not find anywhere any observations to show that the procedure which The Hindustan Times Ltd., would require us to follow is obligatory. In fact, if such procedure is followed, the work of a committee like ours would be impossible since

it will resolve itself into so many different cases between so many contending parties.

20. The provisions of the Act and the procedure adopted by us have thus given full opportunity to all the establishments and other interested parties to get the information which could be disclosed and to submit their representations in writing on any point which required elucidation or correction or contradiction. The information which the Act prevents us from disclosing could, of course, not be disclosed. In the circumstances, the objection to our procedure taken by The Hindustan Times Ltd., or similar objection which may be taken by other parties, appears to us to be untenable.

21. The recommendations in Chapter III of this report have been made by us in accordance with section 4(3) of the Act of 1958 after due consideration of all the material collected by or available to us including the representations made to us from time to time by all interested parties. We now proceed to state our reasons for the same.

CHAPTER II—REASONS FOR THE RECOMMENDATIONS

General Principles

Article 43 of our Constitution provides that the State shall endeavour to secure for all workers a living wage and conditions of work ensuring a decent standard of life. This is the goal set before us by the Constitution and it is with reference to this goal that the principles for the fixation of wages have to be evolved.

2. The principles for the fixation of 'fair wages' for labour have, during the last ten years, become fairly crystallised. The concepts relating to wages, in their application to Indian conditions, were examined and clarified for the first time in 1949 by the Committee on Fair Wages which submitted a report to the Central Government recommending certain principles and procedures for the fixation of fair wages. Since then, several important industrial tribunals, the Labour Appellate Tribunal, the Bank Award Commission and, finally, the Supreme Court have had occasion to consider and approve of those principles. While these principles were originally evolved for the specific purpose of ensuring fair wages to industrial labour, they can, with suitable modifications in regard to details, be usefully applied to the determination of wages of other classes of employees also.

3. The Committee on Fair Wages has discussed in its report the three concepts of 'minimum wage', 'living wage' and 'fair wage'. The minimum wage, in its opinion, is the wage which would provide not merely for the bare sustenance of life but also "for some measure of education, medical requirements and amenities"—such as would be indispensable "for the preservation of the efficiency of the worker". The Committee has further stated that "an industry which is incapable of paying the minimum wage has no right to exist. In its judgment in the Express Newspapers case, the Supreme Court has said that "this concept of minimum wage is in harmony with the advance of thought in all civilised countries and approximates to the statutory minimum wage which the State should strive to achieve in regard to the Directive Principle of State Policy mentioned above". (p. 86).

4. The 'living wage' as defined by the Committee on Fair Wages provides, in addition to the bare essentials of food, clothing and shelter,

for "a measure of frugal comfort, including education for the children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age". The living wage, so defined, does not by any means, indicate a stationary level of wages. The content of the living wage must necessarily change with the shifts in the economy of the country. The living wage concept is a progressive one and would go as far as the capacity of an industry to pay would permit it.

5. It is because the economy of the country at the present juncture cannot, as a rule, support a level of wages equal to the living wage that a third concept, *viz.*, 'fair wage' has had to be evolved. It is a mean between the minimum wage and the living wage. It has been described thus: "Nothing short of a living wage can be a fair wage if under competitive conditions an industry can be shown to be capable of paying a full living wage. The minimum wage standards set up the irreducible level, the lowest limit or the floor below which no worker shall be paid A fair wage is settled above the minimum wage and goes through the process of approximating towards a living wage".

6. The Report of the Fair Wages Committee from which the above quotation is taken goes on to state as follows:—

"While the lower limit of the fair wage must obviously be the minimum wage, the upper limit is equally set by what may broadly be called the capacity of industry to pay. This will depend not only on the present economic position of the industry but on its future prospects. Between these two limits the actual wages will depend on a consideration of the following factors and in the light of the comments given below:

- (i) the productivity of labour;
- (ii) the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities;
- (iii) the level of the national income and its distribution; and
- (iv) the place of the industry in the economic of the country."

7. In adapting the above concepts for application to middle class employees, what is important to note is that in any fixation of fair wages at least two factors must receive prominent attention, *viz.*, the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities and the capacity of the industry to pay. The other factors mentioned by the Fair Wages Committee are perhaps not of equal application to working journalists as to industrial employees proper.

8. In particular the method usually employed for fixing of wages of industrial workers will not be applicable in this case. The usual procedure in case of industrial workers is to ascertain the cost of living of a standard family of such workers so that it may be assured of the essential needs of life. This procedure is possible only when studies have been made of the cost of providing what is called a basket of essential goods and services to the workers and reliable data on this point are available. Though such data may be available in respect of industrial workers, there are no reliable or satisfactory data available in regard to middle class workers. Justice Rajadhyaksha in his Postal Award suggested the addition of a co-efficient of 80 per cent. to the cost of living figures for industrial workers for arriving at the relevant figures for the lower middle class workers like clerks. This method has itself been questioned but it

is certainly not applicable in the case of working journalists. They belong to various grades. The lowest grade of proof-readers gets somewhere below Rs 100 p.m., while the highest grade of editors gets much more than Rs 2,000 p.m. The working journalists thus belong to various classes of society differing considerably in their social status and style of living. A uniform method of fixing wages based on a uniform standard of cost of living would not be applicable to them.

9. In fixing wages for them the two main factors to be taken into consideration, as already stated, are the prevailing rates in the same industry and in similar occupations and the capacity to pay. The Committee has principally taken those two factors into consideration in preparing its scheme of wages.

10. The principles applicable to the fixation of wages have been summarised by the Supreme Court thus (pp 92-93)

- (1) in the fixation of rates of wages which include within its compass the fixation of scales of wages also, the capacity of the industry to pay is one of the essential circumstances to be taken into consideration except in cases of bare subsistence or minimum wage where the employer is bound to pay the same irrespective of such capacity,
- (2) the capacity of the industry to pay is to be considered on an industry-cum-region basis after taking a fair cross section of the industry, and
- (3) the proper measure for gauging the capacity of the industry to pay should take into account the elasticity of demand for the product, the possibility of tightening up the organization so that the industry could pay higher wages without difficulty and the possibility of increase in the efficiency of the lowest paid workers resulting in increase in production considered in conjunction with the elasticity of demand for the product—no doubt against the ultimate background that the burden of the increased rate should not be such as to drive the employer out of business."

Matters Relating to Capacity to Pay

Elasticity of Demand

11. Before going into the question of fixation of wages, it is worthwhile to consider the financial condition of newspaper industry, its future prospects and allied matters. The Press Commission in its report has noticed considerable increase in circulation of five important English newspapers and nine important Indian language papers between the years 1947 and 1952. The Commission came to the conclusion that there was rapid growth in the number and circulation of daily newspapers in the country both English and in the Indian languages (Part I pages 18-19). The Commission also considered that there was considerable scope for further development. The Report of the Registrar of Newspapers for India for the year 1957 indicates a similar trend. His comparison of the circulation of 1956 with that of 1957 shows that there was a significant rise in circulation particularly in English papers and some of the language papers.

12. Our own examination has indicated that the circulation of 21 English daily newspapers went up from 6.10 lakhs in 1952 to 7.73 lakhs in 1957, that is, by nearly 25 per cent. The circulation of 13 Hindi daily

newspapers went up during the same period from 1·32 lakhs to 2·30 lakhs, that is, by 74 per cent. The examination of some of the language papers showed that between 1952 and 1957, the circulations of Gujarati, Marathi, Malayalam, Kannada and Tamil newspapers increased by 68·7 per cent, 28·8 per cent., 68·6 per cent., 101·2 per cent. and 29·3 per cent. respectively. The dailies of the other languages either lost in circulation or gained only marginally.

13. The variations in circulation have not been uniform in the case of individual papers. The more important and better known papers have gained appreciably. For instance, between 1952 and 1957, the circulation of the Times of India went up from 94,000 to 1,09,000 (in round figures), of the Statesman from 65,000 to 83,000, of the Hindu from 65,000 to 80,000, of the Hindustan Times from 48,000 to 57,000 and of the Indian Express from 42,000 to 1,11,000. The trend is more or less the same with the more important language papers also. Among the Hindi papers, the circulation of the Nav Bharat Times increased from 23,000 to 67,000, of the Hindustan from 21,000 to 34,000, of the Arya Varta from 18,000 to 25,000 and of the Nav Bharat of Nagpur and Jabalpur from 10,000 to 16,000. Among the papers of other languages, the circulation of the Daily Thanthi increased from 30,000 to over 1,00,000, of the Dinamani from 64,000 to 80,000, of the Samyukta Karnatak from 12,000 to 21,000, of the Prajavani from 10,000 to 25,000, of the Janasatta, Ahmedabad, from 17,000 to 21,000, of the Janmabhoomi, Bombay, from 16,000 to 20,000, of the Sakal from 27,000 to 37,000, of the Tarun Bharat from 7,000 to 17,000, of the Mathrubhumi (Kozikhoda) from 25,000 to 59,000, of the Malayala Manorama from 22,000 to 44,000 and of the Deopika from 10,000 to 17,000. However, quite a large number of medium and small-sized papers, particularly those published from places easily accessible by rail and air transport from metropolitan centres, have remained stagnant as they have not been able to compete with the papers published from metropolitan centres. That is the case with several of the papers published in U.P. and in places like Nagpur, Patna and Hyderabad.

14. Medium and small-sized newspapers, both English and language, can and will make continued progress in the coming years provided that two conditions are fulfilled, viz., (i) that the competition from the large metropolitan papers does not become too overwhelming and (ii) that proper arrangements are made for making available to the industry adequate quantities of newsprint. Many of the small newspapers have, for some time past, been looking forward to a statutory price-page schedule. If the enforcement of such a schedule becomes feasible, the gap between the competitive strengths of the big and small papers may be reduced. In such an event, the smaller papers which are generally published from State capitals and district towns will be able to build themselves up and to penetrate into the interior, which papers flown from metropolitan centres will ordinarily not attempt to do. It is on the encouragement of the smaller papers published from non-metropolitan areas that the spread of the reading habit into the interior will depend. The Committee was given to understand by Government that the price-page schedule would not be issued till the recommendations of the Committee were published. It has not, therefore, been possible for us to assess the effect of such a schedule, but on considerations mentioned above, we feel that the schedule, when it comes into operation, will benefit the small and medium-sized papers both in English and Indian languages.

15. The problem of securing newsprint of proper quality and in adequate quantities is causing much concern to the newspaper industry. Newsprint which was formerly on O.G.L. was brought under licensing for the first time on the 2nd April, 1955. At first, licences were issued to the extent of 110 per cent. of past imports. For the July—December 1955 licensing period, licences were issued to actual users on the basis of the consumption of imported newsprint, as certified by a Chartered Accountant, during any one of the three financial years preceding the period for which the licences were asked for. This procedure continued till the 30th September, 1957. During June 1957, the members of the Indian and Eastern Newspaper Society agreed to reduce their imports by 15 per cent. and on that basis licences were issued after calculation of the requirements on a scientific basis depending on the circulation, the size, the average number of pages published, etc. For the licensing period October 1957—March 1958, two sets of calculations were made, one on the basis of actual past consumption and the other on the basis of circulation, number of pages and page area. Licences were issued for 85 per cent. of the lesser of the two quantities so arrived at. The remaining 15 per cent. was made good from the production of the Nepa factory. For the period April—September 1958, entitlement was calculated for six months on the basis of the circulation of 1957, and 85 per cent. of the requirements were permitted to be imported, the remaining 15 per cent. being made good from Nepa. For the latest licensing period, the same policy continues except that 1/3rd of the entitlement is to be met from stocks held by the State Trading Corporation. It will thus be seen that the availability of newsprint has steadily been restricted and that the quantity allowed in 1958, being based on the actual circulation of 1957, did not leave much, if any, scope for expansion of circulation. In the immediate future no additional imports are likely to be permitted for the purpose of expansion. If the present foreign exchange difficulties continue, expansion in circulation will depend on curtailment of the number of pages of the paper. The employers have stated that when the size of a paper is reduced, the price has sometimes to be correspondingly reduced. That will also reduce the space available for advertisements. What is gained by an increased circulation may, therefore, be lost through reduced selling price of the paper and reduced advertisement revenues. It is to be hoped that the foreign exchange position will soon ease so as to permit of supplies to newspapers for a reasonable measure of expansion consistent with the growing literacy and reading habits of the people. However, it should be repeated that the recommendations of the Committee are based not on future expectations but on the financial results during the last three years. Maintenance of revenues at the present level, with marginal increases to cover the cost of annual increments, should generally be sufficient for meeting the additional burden.

16. The advertisement revenue is admittedly an important factor in the creation of profits for newspapers. The greater the proportion of advertisement revenue in the total gross revenue, the greater must be the profit-yielding capacity of the paper. Every paper, therefore, looks forward to increasing its advertisement revenue as much as possible. That some papers with a larger proportion of advertisement revenue than others are showing comparatively less profits than the latter is no argument against the general proposition mentioned above. Even if the accounts are reliable, there may be other reasons for such different results. Some of the smaller papers have voiced a grievance that they are not getting any share of the advertisement revenues made available by the

Central and State Governments. Moreover, the advertisement revenues of most language papers are far less than those of English papers of corresponding size and importance. It is because of the part which advertisement revenue plays in the economy of a newspaper that the Committee has made a recommendation that where the advertisement revenue is less than half the circulation revenue of a paper, it should be placed in the class next below that in which it would fall by virtue of its gross revenue. This will give a large measure of relief to several medium and small-sized papers—particularly language papers.

17. A sample analysis of the advertisement revenues of papers falling in the five classes contemplated in the Wage Board decision showed that advertisement revenues had steadily been increasing year after year. For nine papers of A class, the advertisement revenue had increased from Rs. 332 lakhs to Rs. 388 lakhs during the three years 1952-53 to 1954-55 i.e., by 16·9 per cent. Similar increases in the case of B, C, D and E class papers were 13·7 per cent., 8·6 per cent., 13·4 per cent. and 21·6 per cent. respectively. Increases in the case of individual papers have often been very substantial. The advertisement revenue of the Hindustan Times rose between 1952-53 and 1956-57 from Rs. 27 lakhs to Rs. 42 lakhs, of the Statesman from Rs. 55 lakhs to Rs. 78 lakhs, of the Ananda Bazar Patrika from Rs. 31 lakhs to Rs. 42 lakhs, of the Amrita Bazar Patrika, Calcutta, from Rs. 19 lakhs to Rs. 30 lakhs, of the Times of India chain from Rs. 83 lakhs to Rs. 116 lakhs, of the Hindu from Rs. 35 lakhs to Rs. 52 lakhs, etc. No doubt, such prosperity has not befallen the smaller papers, particularly the language papers. For instance, the Mathrubhumi, the premier Malayalam paper of Kerala, increased its circulation revenue between 1952-53 and 1956-57 from Rs. 8 lakhs to Rs. 15 lakhs but was able to increase its advertisement revenue only from Rs. 3·33 lakhs to Rs. 5·45 lakhs. The ratio of the advertisement revenue to the circulation revenue thereby changed to its disadvantage. While, no doubt, all papers have not benefited to the same extent by increases in the advertisement revenues, it is a fact that there has been a steady rise in the advertisement revenue of the large majority of papers. There have been very few cases of complete stagnation or of an actual reduction of the advertisement revenue. There might occasionally be adverse factors affecting the advertisement revenue, as for instance, when drastic import restrictions became necessary some time ago or if the present newsprint restrictions tend to put any limitations on the space which can be provided by the more important papers for advertisement. However, the growing tempo of industrialisation must inevitably lead to a steadily increasing volume of advertisements.

18. In the light of the clear trends in the matter of both circulation revenue and advertisement revenue—more so in the case of the latter—the Committee feels that sub-normal units, which have so far been running at a loss and which will, therefore, find some difficulty in the early stages in conforming to the general standard of emoluments, should, provided they can ensure a reasonable standard of efficiency in the management of their affairs, be able to convert their losses into profits at no distant date.

19. The foregoing paragraphs indicate considerations which should be taken into account in relation to the elasticity of demand which is one of the factors to be considered according to the decision of the Supreme Court.

Possibility of Tightening up of Organisation

20. As regards the possibility of tightening up of the organisation, there is much scope in a number of papers. The Committee has noticed that a number of papers are burdened with unnecessarily large and apparently inefficient staff. The standard of staffing varies from paper to paper. The Tribune, Ambala, for instance, with a circulation of 24,000 and a gross revenue of about Rs. 25 lakhs employs 28 working journalists including ten proof-readers. The Madras Mail with a circulation of 35,000 and a gross revenue of Rs. 33 lakhs employs 44 working journalists including 14 proof-readers. The Sakal with a circulation of 35,000 and a gross revenue of Rs. 13 lakhs has only 12 working journalists. On the other hand, the National Herald with a circulation of less than 10,000 along with two small language papers with a total circulation of another 10,000, that is, with a total circulation of less than 20,000 spread between three papers and with a total gross revenue of Rs. 15 lakhs has 63 working journalists. The Bharat, Allahabad, with a circulation of 4,000 and a share of the total gross revenue of Rs. 15 lakhs of the Leader-Bharat group employs 35 working journalists. The Bombay Chronicle with a circulation of 3,000 and a gross revenue of Rs. 7 lakhs has 45 working journalists. The Deccan Herald with a circulation of about 19,000 and a gross revenue of about 10 lakhs has 46 working journalists. Among the bigger papers, the Hindustan Standard, Calcutta, with a circulation of 35,000 and a gross revenue of Rs. 26 lakhs has 68 working journalists. The Hindustan Standard, Delhi, hitherto a unit of the Calcutta paper but recently separated from it, with a small circulation and a small gross revenue of Rs. 6.8 lakhs employs as many as 58 working journalists. It is clear, therefore, that some of the papers are overstaffed. Some papers have frankly admitted that in the past they have had to employ unqualified and inefficient staff for political and other reasons and that it is this legacy which is responsible for the poor performance of the paper. Whatever that be, it cannot be seriously disputed that some of the papers that are not making much headway have comparatively large and inefficient staff. Poor management takes other forms also. Some papers do not maintain their accounts properly, while in the case of a few, there are reasons to suspect that the accounts are not straightforward. On the other hand, the Committee has come across a number of typical cases where, in spite of small circulation and small gross revenues, quite substantial profits have been made. The Committee, therefore, feels that there is considerable scope for improvement in the working of a number of papers.

Possibility of Increase in Efficiency

21. With the statutory enforcement of reasonable scales of remuneration, most of the new recruits are bound to be men of adequate educational qualifications and professional competence. The Committee has not considered it necessary to prescribe any educational qualifications or training, for that can safely be left to the managements who obviously will try to secure the best material possible for the remuneration offered. Some employers have stated that while higher scales of pay may be justified for new recruits with adequate qualifications, they will be excessive for the existing unqualified staff. In other words, they admit that on the scales of pay likely to be fixed, far better material than the existing staff can be obtained. There will, therefore, be substantial increase in the efficiency of most of the papers on the introduction of reasonable scales of pay.

22. The general conclusion to be drawn is that the newspaper industry as a whole has a good future as indicated by the general trends of growth, that on the disappearance of the licensing restrictions on supply of newsprint which, we hope, will happen very soon, the newspapers will have considerable scope for expansion and that the smaller and medium-sized papers are likely to be benefited by the price-page schedule which seems almost certain to come. The tightening of organisation and the increase in efficiency which would be the result of our recommendations may also help the newspaper establishments in improving their position.

Classification

Region-wise or Class-wise

23. For the purpose of assessing the capacity to pay as well as for the purpose of fixation of wages, it is necessary to consider how the newspaper industry should be divided. The Supreme Court has laid down as a general principle that capacity is to be considered on an industry-cum-region basis. At the same time, the Supreme Court has observed that in a given case it may be permissible to divide an industry into appropriate classes and then deal with the capacity of the industry to pay class-wise (p. 90). This is a case where the latter type of approach is suitable.

24. The principle that the capacity of an industry to pay should be considered on an industry-cum-region basis arose out of the recommendations of the Fair Wages Committee which observed as follows:—

“We are of the view that in determining the capacity of an industry to pay, it would be wrong to take the capacity of a particular unit or the capacity of all industries in the country. The relevant criterion should be the capacity of a particular industry in a specified region and, as far as possible, the same wages should be prescribed for all units of that industry in that region.”

25. The determination of capacity region-wise implies that while wages for the same employment may vary from region to region, they would be the same in all establishments, big or small, in a region. This concept is of special application to manufacturing industry where, while the units might be of different sizes, the machinery and processes are largely standardised and the economics of standardised operations follows a recognisable pattern. No distinction is made as between large establishments and small ones in the matter of fixation of wages. The reason is that though large-scale operation undoubtedly results in substantial savings, the large majority of units in an industry would be economic units capable of standing on their own legs. Uneconomic units would be the exception rather than the rule. A scale of remuneration appropriate to economic units would therefore be found acceptable to all units working in a business-like manner. Moreover, the nature of work and the work load of the employees would largely be the same, irrespective of the size of the establishment with the result that any serious difference in the rate of payment as between one unit and another would immediately provoke comparison and resentment.

26. It will be remembered that the Fair Wages Committee was thinking in 1949 primarily of wage fixations in particular regions rather than throughout the country. There would even now be no compelling necessity for an all-India adjudication of disputes in a manufacturing industry such as the textiles or the engineering industry. At the time the Fair Wages Committee considered these matters, there was little or

no experience of all-India adjudications apart from the Postal Award of Justice Rajadhyaksha. Since then, we have had two important all-India adjudications, *viz.*, the Bank Award and the Coal Award. The applicability or otherwise of region-wise basis to employments other than industrial units was not specifically before the Fair Wages Committee.

27. The Bank Award Commission presided over by Justice Gajendra-gadkar observed on the method of classification as follows:—

"It seems to me that in dealing with the dispute between inter-State banks and their employees, a more rational and more satisfactory basis is supplied by the class-wise approach to the problem. It is perfectly true that in classifying banks, care must be taken to adopt a fair basis for classification and to bring together to one category banks which may be regarded genuinely as homogeneous in all material particulars. In fixing the wage-structure class-wise, care must likewise be taken to fix the wage structure in such a manner that it would not be unduly below the paying capacity of the bank at the top of the class, nor unduly above the paying capacity of the bank at the bottom of the class."

28. These considerations apply with even greater force to the newspaper industry. A uniform scale of pay applicable to all newspapers, big and small, in a region or area will be wholly unrealistic, for while it would be grossly insufficient for the bigger papers it may be crushingly burdensome to the smaller ones. Moreover, if the differing advertisement potential of different areas is taken into account separately, there are no clear-cut circumstances that would stamp the regional character on the economy of newspapers. Questions of raw materials, of availability of coal, power, water, etc., of distances from the market and the like that often tend to produce the regional characteristics of an industry are comparatively unimportant in the case of a newspaper. Proximity to a large city is an advantage in that newspapers must be sold off quickly and not allowed to grow stale. This, however, is not a regional consideration. The Committee, therefore, feels that the capacity of newspapers should be ascertained not on a region-wise basis but on a class-wise basis depending on the size of the papers.

Basis of Classification

29. Having decided on the class-wise approach, the next question for our consideration was the basis on which the classification should be made. The Committee has, after considering the various alternatives come to the conclusion that gross revenue would be the most satisfactory basis for classification. We shall deal very briefly with other alternatives.

30. Invested capital could not be accepted as a criterion of classification because in the unorganised state of the industry, separate accounts for the newspapers are very often not maintained. It is often found that the invested capital does not bear any reasonable proportion to the size of the paper. Circulation could also not be accepted as a test because it does not reflect with any certainty the financial capacity of the establishment. The advertisement revenue makes a good deal of difference as also the price charged per issue. Other factors like periodicity or location will not serve as a test for obvious reasons. Language cannot be made the basis of classification because the language of the paper does not necessarily determine the size or the revenues of the paper.

31. One factor which was strenuously urged before us by the employers was the profit and loss basis. After careful consideration, we discarded this factor as basis for classification because it is so uncertain. An establishment may make profit in one year and incur loss in another year as happens in many cases. The wages of the working journalists cannot be made to depend on the fortunes of the establishments. Otherwise, the underlying idea of providing a scheme of uniform wages, *viz.*, to assure a certainty of income to the workers, will be defeated. Moreover, if profit or loss is made the criterion, the mismanaged concerns are likely to benefit, while the well-managed ones will be saddled with burden. That will be putting a premium on mismanagement. Besides, some concerns may conceal the profits and show only losses.

32. Profit or loss may be relevant for assessing the capacity to pay though it is not the only criterion. As one of the relevant considerations for this purpose, we have taken it into account as would be explained later. It cannot however be accepted as a basis for classification. We may add that the Supreme Court also considered that profit or loss was not a satisfactory basis for classification (p. 179).

33. Considering all the alternatives, we have found that gross revenue is the most satisfactory basis because it is a better indication of the size of the paper than any other so far suggested. On the other hand, we realise that the proportion of advertisement revenue to circulation revenue is an important factor and we have given weight to this factor by providing that in case of daily papers when the advertisement revenue is less than half the circulation revenue, the paper should be placed in a lower class. This has already been explained in paragraph 16 above.

34. Incidentally, it may be mentioned that the Supreme Court has upheld the validity of classification based on gross revenue (pp. 177—179). The Supreme Court has also suggested that the proportion of advertisement revenue to the gross revenue and the difference between the paying capacity of the language papers and the English papers should be considered (pp. 185-186). Both these points have been duly provided in our scheme of classification. The second point is provided because the weakness of language papers arises usually on account of lesser advertisement revenue and the relief given by us on account of a smaller proportion of advertisement revenue ought to be sufficient for the language papers.

35. When defining gross revenue, we have included only the circulation revenue and the advertisement revenue. This we have done because we do not consider it equitable that revenues received from other sources like job work, type foundry, safe deposit vaults, etc., which are extraneous to the newspaper business as such, should be taken into account for the purpose of determining the class of the paper. Moreover, we have found that the exclusion of such sources of revenue has not affected the classification of a large majority of the papers we have examined.

36. On the above basis, we have divided daily newspapers into six classes (instead of five of the wage Board), weeklies into four classes and news agencies into three classes—all based on gross revenue. The classes are indicated in paragraphs 9, 15 and 19 of our recommendations respectively. The special rule regarding proportion of advertisement revenue applies only to daily newspapers and not to weeklies or to news agencies.

37. Just as we have divided newspapers and news agencies, we have also divided working journalists into several groups in accordance with the

nature and relative importance of their duties. The classification of working journalists is set out in paragraph 23 of our recommendations.

Fixation of Scales of Wages

38. We shall now deal with the scales of wages recommended by us and wherever possible examine them in the light of the wages paid by the newspaper industry itself and in comparable employments. Before doing so, it is necessary to explain one or two points. The Committee has not considered it necessary to recommend any scale for the highest group, viz., the editors. That is because we feel that an editor falls into a class by himself and is usually in a position to secure fair terms of emoluments for himself. Any scale laid down by us for him is likely to be unrealistic and may even tend to depress the existing level of emoluments since in many cases editors are paid quite high salaries. We consider it best to leave the matter for settlement with the employer and have not indicated any scale for editors for any class of newspaper or news agency.

39. The other point to be mentioned is that for the purpose of comparison our basic pay has to be taken along with the dearness allowance allowed by us because in the newspaper industry the practice about dearness allowance is not uniform. Some establishments pay dearness allowance, some do not, and others pay what they call a consolidated pay which is supposed to include dearness allowance. We have not provided for location allowance as was done by the Wage Board but have allowed for an element of this allowance in the rate of dearness allowance we have suggested for more expensive places. For the purpose of comparison, therefore, it is necessary to take the total of the basic pay and the dearness allowance allowed by us.

40. The third point to be noticed is that we have provided wages for only daily and weekly newspapers (including bi-weeklies and tri-weeklies) and news agencies. We have not provided for fortnightly and newspapers published at longer intervals on account of paucity of evidence.

41. Coming now to the scales recommended by us, we shall deal in the first place with the scales for daily newspapers. These are divided into six classes, the topmost class A being of those having a gross revenue of Rs. 50 lakhs and above, and the lowest of them F, having a gross revenue of less than Rs. 2½ lakhs. In between there are four classes, B, C, D and E, with gross revenue ranging between those limits. In deciding upon a scheme of wages for persons employed in establishments of such widely varying sizes and importance, a practical way would be first to fix the scales of pay for the highest and the lowest classes and thereafter to adjust the scales for the intervening classes according to suitable differentials so that the resulting burden would be well within the capacity of the various classes.

A Class Dailies

42. These are the most important papers in the country and merit, more than any others, the description of "national papers." They necessarily have to employ men of the highest talent in the profession; they already pay them high salaries and cannot possibly grudge the fixation of scales of pay that would attract and retain the best men. It is in fixing the level of wages appropriate to this class that the largest measure of assistance can be obtained from the prevailing rates of wages obtaining in the better-managed papers themselves and in similar employments outside journalism.

Approaching the problem from this angle, the Committee has been struck by the substantial wages already paid by some, though not all, of these papers which are all issued from metropolitan centres.

43. We have already mentioned that no wages have been provided by us for editors who fall into group I within the classification of working journalists. We have therefore to start our examination with group II which consists of assistant editors, leader writers, news editors and special correspondents. The scale recommended by us for them is Rs. 600—50—1,000. With the dearness allowance recommended by us, it comes at the minimum level to Rs. 705 and at the maximum level to Rs. 1,120. As against this, the total emoluments paid by the Statesman range from Rs. 1,403 to Rs. 2,535, by the Times of India from Rs. 966 to Rs. 1,600, by the Hindu from Rs. 700 to Rs. 1,900, by the Hindustan Times from Rs. 750 to Rs. 1,250 and by the Amrita Bazar Patrika from Rs. 938 to Rs. 1,049. Only the Ananda Bazar Patrika pays less. So, out of six A class papers, the pay range of four papers is much higher than our scales and that of one paper comes almost up to our scales. We are therefore satisfied that the scales we have proposed for group II are fully justified on a comparison with the scales prevailing in the industry itself.

44. For group II-A, consisting of chief sub-editors, chief reporters, etc., the scale provided by us taken with our dearness allowance comes to a minimum of Rs. 590 and a maximum of Rs. 1,020. As against this, the pay range of the total emoluments of the Statesman is from Rs. 1,287 to Rs. 1,323, of the Times of India from Rs. 966 to Rs. 1,610 and of the Hindu from Rs. 600 to Rs. 1,100. No figures of the Amrita Bazar Patrika are available for this group, but the emoluments of the other two papers are less. The result is that at least three papers out of six have pay ranges higher than ours.

45. For group III consisting of sub-editors and others, our scale with our dearness allowance comes to a minimum of Rs. 320 and a maximum of Rs. 920. As against this, the pay range of total emoluments of the Statesman is Rs. 523 to Rs. 1,258, of the Times of India is Rs. 325 to Rs. 982 and of the Hindu is Rs. 325 to Rs. 950. The emoluments of the remaining three are less. Thus the pay ranges of three out of the six papers are in one case definitely higher and in the other two cases slightly higher than our scales.

46. In regard to group IV consisting of proof readers, the basic pay in our scale plus dearness allowance comes to Rs. 185 at the minimum of the scale and Rs. 370 at the maximum. As against this, the range of total emoluments of the Statesman is Rs. 139 to Rs. 500, of the Times of India Rs. 129 to Rs. 402, of the Hindustan Times Rs. 100 to Rs. 350 and the Ananda Bazar Patrika Rs. 133½ to Rs. 312½. Thus, though the minimum in these cases is lower, the maximum is either much higher or very near, but in any case not far short of, our scales.

47. Turning now to comparable employments, it is always difficult to equate working journalists with employees in other fields. The consensus of evidence before the Wage Board was that journalism was "unique" in itself and that there were no employments strictly comparable to it. Though the Press Commission has mentioned that the position of a journalist is analogous to that of a lecturer in a college, important managements and editors appeared before the Wage Board with the plea that that was not so. The management of the Hindu said: "We do not think it is advisable to compare working journalists with employees in other professions." The representative of the Statesman stated as follows: "I would

say that most journalists live under considerable nervous strain. The nature of their work is a constant race against the clock, constant fear of being beaten in story by somebody else, the rigours of night duty, etc."

48. The All India Newspapers Editors' Conference referred to this class as "unique" and explained that word as follows:

"We only mean that the newspaper industry cannot be compared with any other industry or business concern. The word 'unique' has been used to emphasize this position. We expect quickness and efficiency from the working journalists. That is not expected from ordinary employees. Unless a person reacts very quickly to an event, he would not be a good journalist.....I do not agree with the Press Commission that they should be compared to the university or college lecturers."

49. Though a number of managements have since resiled from this position and attempted to equate working journalists to lecturers and school teachers, the Committee does not feel that such comparison is apt. It is true that the source of recruitment to both avocations is the same, *viz.*, the large number of graduates coming out of universities, but the nature of the work performed by a working journalist is obviously not the same as that done by a teacher or a lecturer. The working journalist has, moreover, to work to a tight time-schedule and apart from the leave admissible to him, he does not get many holidays. A lecturer does not work under any such pressure and enjoys quite long vacations two or three times a year. Working journalists can perhaps be compared to a limited extent to the staff of the news services division of the All India Radio, where the sub-editor starts on the lowest scale of Rs. 300—20—500 and has chances of going up to higher scales such as Rs. 400—620 and Rs. 720—1,100. If the sub-editors of class A papers were at all to be compared with officers of other Government departments, not necessarily from the point of view of the nature or pressure of work but from that of the standard of attainments and responsibility expected, the comparison would have to be with the junior scale of class I employees who are on the scale of pay of Rs. 350—800. Even here, the comparison is not wholly correct because a junior scale employee of class I goes up to the higher scale of Rs. 600—1,150 almost automatically in a few years.

50. If comparison with employees of industry and commerce were attempted, it would not be unreasonable to equate the sub-editors of class A papers to the junior executives of the more important commercial concerns. In an important commercial firm, there are 5 grades of officers below the top managerial ranks. The scale applicable to the lowest category is Rs. 450—25—600. The highest scale below the managerial level goes up to Rs. 1,500. In another big concern, the lowest officer grade is Rs. 500—30—800. In yet another big concern, the junior officer scale is Rs. 500—20—600—25—750—40—950. Several commercial establishments do not have fixed scales of pay at all but they start their employees generally well above Rs. 500.

51. From all this analysis of the scales of pay obtaining in newspapers themselves and the other employments of comparable standing and responsibility, it would appear that the scheme built up by the Committee with the scale of pay of Rs. 250—800 for the sub-editors as the pivot cannot be deemed excessive or inadequate for the six top papers of the country.

52. Regarding the scales of pay prescribed for proof readers, the Committee cannot agree with the view put forward by several employers that

those scales should be fixed at exactly the same levels as in pure job presses. The proof reader in a newspaper has certainly a greater responsibility for ensuring accuracy and even rectifying glaring mistakes found in the original than a proof reader in a job press. In a job press, the person who has entrusted the work invariably checks up the final proof. In a daily newspaper which publishes several editions during the day, the proof reader has to take the final responsibility for ensuring conformity with the copy and for completing the work within the stipulated time.

53. The view we have taken is in agreement with that taken by the Supreme Court. They say that proof readers occupy a very important position in the editorial staff of a newspaper establishment and cite passages from B. Sen Gupta's Book on "Journalism as a Career" and from Kemsley Manual of Journalism to show how important their duties are (p. 152). We must therefore place proof readers on the editorial side higher than the proof readers in the job press.

54. The scale allowed to a head reader in the Government Central Press, Bombay, with dearness allowance comes to Rs. 255—330 and to readers, it comes to Rs. 145—255. In Delhi, the scale of senior readers in the Government of India Press, with dearness allowance, comes to Rs. 180—285 and of readers to Rs. 119—190. The corresponding figures for West Bengal are Rs. 190—300 and Rs. 150—190 for the two classes. The figures for Madras are lower. As against this, the scale that we have prescribed for a proof reader in an A class paper in metropolitan cities, with dearness allowance, is Rs. 185—370. For reasons already stated, a proof reader in an A class newspaper must be placed higher than the head readers or senior readers in metropolitan cities like Calcutta, Bombay and Delhi. We are satisfied that the scale allowed by us to the proof readers in class A papers is fair.

55. In the result, we find that the scales of wages suggested by us for all groups in class A papers are fair and reasonable, having regard to the prevailing wages in the newspaper industry itself and in comparable employments.

F Class Dailies

56. At the bottom of the classification stand the F class papers which are the smallest with a gross revenue of less than Rs. 2½ lakhs. Though the Wage Board fixed only a minimum wage of Rs. 150 for the employees of groups I and II and of Rs. 90 for those of groups III and IV, the Committee feels that it would be a hardship to the employees of these papers to be denied the advantage of regular scales of pay as in the case of employees of the other classes of papers. Even a high minimum is no substitute for the psychological satisfaction of regular receipt of increments. Since the finances of these papers are obviously none too bright, there would be a natural temptation on the part of managements to deny increments if only minimum wages were fixed. The Committee therefore feels that without increasing the overall burden of the papers, regular scales of pay should be prescribed.

57. The scales of pay drawn up by the Committee start at points well below the minimum fixed by the Wage Board. These scales have been framed more on the basis of the concept of the minimum wage than on that of a fair wage based on capacity. To begin with, the Committee has suggested a scale of Rs. 65—5—120 for proof readers. If dearness allowance of Rs. 50 and Rs. 30 in areas I and III is added, the total starting emoluments of a proof reader in an F class paper in a metropolitan centre would be Rs. 115 and in a small place Rs. 95. The Bombay Government

fixed in 1956 minimum wages for proof readers in job presses in Bombay City under the Minimum Wages Act at a consolidated amount of Rs. 110. Similarly an industrial tribunal in Bombay fixed as the minimum starting emoluments a basic pay of Rs. 75 and a dearness allowance of Rs. 40, that is, a total of Rs. 115, for proof readers in the city of Bombay. The Labour Appellate Tribunal fixed for clerks in the lowest class of banks in Bombay and other cities of area I a scale starting from Rs. 69 and ending with Rs. 236 with a minimum dearness allowance of Rs. 50. Thus the total starting emoluments of a clerk in the smallest bank in Bombay were fixed at Rs. 119. This adjudication has been mentioned, as proof readers of newspapers would stand roughly midway between industrial employees (being somewhat akin to proof readers in job presses) and the main group of the lower middle classes. In the course of its order, the Appellate Tribunal made calculations for the minimum wage of an industrial employee and a middle class employee, the two being related in the ratio of 1:1.8. Where a scale is prescribed, it is usual to take the minimum wage as one sufficient to support a family of 2.25 consumption units though where a fixed wage is allowed, it is on the basis of three consumption units. Calculations were made on the basis of Rs. 35 for a working class family of three consumption units at subsistence level in the base year of 1939 (cost of living=100) as recommended by the Rau Court of Inquiry. Proceeding on the same basis, if the present cost of living index be taken as 400 with 1939 as the base period, the subsistence wage for a working class earner based on 2.25 consumption units, and allowing for 100% neutralisation, would be $\text{Rs. } 35/3 \times 2.25 \times 400/100 = \text{Rs. } 105$. This may be compared with the total remuneration of Rs. 114.6 earned by textile workers at Bombay in September 1958 under the award regulating textile wages which is based on 3 consumption units and 90% neutralisation. If Rs. 105 is taken as the minimum wage of a working class earner in Bombay on the basis of consumption of 2.25 units, the corresponding figure for a middle class wage earner at 180% would be Rs. 189. 100% neutralisation is generally not permitted even in the case of industrial labour as such a course would produce definite inflationary tendencies in the economy. The extent of neutralisation would be much less for the middle classes. In view of these circumstances, a remuneration of Rs. 115 for an F class paper in Bombay would be deemed an adequate minimum wage for proof readers in the lowest class of newspapers. As there are few F class papers in metropolitan areas, the large majority of proof readers in metropolitan areas would be getting much more than this amount. The corresponding remuneration in small places would be Rs. 95.

58. If then a scale of Rs. 65—120 is deemed appropriate for proof readers of F class papers, the scales fixed for the higher categories can be easily justified. They are based on a fair differential between two successive groups. In fact, the scale of pay of the sub-editor group, that is Rs. 80—150, is somewhat low, but no improvement is possible in view of the economic condition of most of the papers of this class.

Remaining Classes of Dailies

59. The scales of pay of working journalists in papers of B to E classes have been arrived at from those fixed for the working journalists of A and F classes of papers, the scales being carried from the higher limit of A class papers to the lower limit of F class papers by gradual and suitable stages. If the scales for classes A and F are justified, then there can be little doubt that the scales for the remaining classes are also justified. Nevertheless, we have compared them with the emoluments given at

present by those of the B, C, D and E class papers whose figures are available to us. We find that in B class, out of 4 papers there is at least one whose wages compare favourably with ours that in C class there are about 4 papers which give comparable emoluments, that in D class the emoluments of most of the papers are comparable with ours as regards group II employees and as regards the rest, there are three or four papers who give comparable emoluments and that as regards E class, in most of the papers the emoluments given to groups II and III employees are comparable to ours. The proof readers are in many cases not given emoluments up to the level of our scales but as the emoluments provided by us for them are already low, they cannot be further reduced.

60. The result of the analysis of the emoluments of all classes of daily papers is that the scales of wages recommended by us for all of them are fair. Where they are higher than those at present paid to working journalists, they are justified on the considerations mentioned by us. In fact, as stated in the principles enunciated at the commencement of this chapter, the endeavour of our Committee should be to fix a wage which will approximate as much as possible to the living wage subject to the condition that the industry has the capacity to pay. We shall indicate a little later that, on an examination we have undertaken separately, the newspaper industry has the capacity to pay the wages recommended by us. If that is so, then the fact that some establishments are paying wages at a rate lower than what we have recommended is not of much relevance. We are satisfied that the wages we have recommended are fair wages and are in keeping with what better-managed concerns or better-paying employers are allowing at present except in the case of proof readers in whose case the wage we have suggested is clearly justified. The proof readers in the lowest class of papers have been allowed by us a wage which borders on the minimum wage and the others in the higher classes must get a higher scale in gradual succession in accordance with the size of the papers in which they work. We therefore consider that the wages recommended by us for the daily papers are fully justified and are reasonable.

Weeklies

61. As explained earlier, the Committee recommends that weeklies should be classified on the basis of their gross revenue rather than of circulation. The highest class among weeklies has been fixed for those with a gross revenue of Rs. 12½ lakhs and above. This limit has been chosen for the reason that first-rate weeklies of the type published from Madras with a circulation of nearly 1 lakh have gross revenues in the range extending from Rs. 12½ lakhs to Rs. 20 lakhs. For this class, the Committee has recommended the same scales of pay as for C class dailies which have a gross revenue range of Rs. 12½ lakhs to Rs. 25 lakhs. One special feature of weeklies which distinguishes them from dailies is that, they generally get a much smaller proportion of advertisement revenue than dailies. This is however counterbalanced by the fact that the number of working journalists employed in weeklies is much less than in dailies. For example, the Kalki, with a gross revenue of Rs. 15 lakhs, has only 8 working journalists including proof readers, while an average daily paper belonging to the C class with a gross revenue of about the same amount will have at least double that number of working journalists. Many of the weeklies, especially those not attached to dailies, contain a large proportion of stories and special features contributed by outsiders. It is therefore sufficient if they engage a comparatively small number of working journalists largely for rearranging the material and for filling up gaps. The proportion of news in weeklies is small; some weeklies

even claim that they do not carry any news at all. As the number of working journalists and consequently the burden of their salaries are small, the Committee has not thought it necessary to apply to weeklies the provision applicable to dailies whereby a demotion in class is permissible if the proportion of the advertisement revenue falls below a certain standard.

62. The statistics and material available in the case of weeklies are somewhat inadequate; managements have not chosen either to make proper representations or even to respond to requests for information. The Kalki, with a gross revenue of Rs. 15 lakhs and annual profits of the order of Rs. 30,000, stated that it could bear the burden of the scales prescribed by the Wage Board, though it had other grievances against the Wage Board decisions. This weekly is already paying scales of pay comparable to those contemplated by the Wage Board. The total emoluments payable under the Committee's proposals are in many cases less than those prescribed under the Wage Board decisions. The Committee therefore feels that class I weeklies can afford to pay the scales recommended by it.

63. Classes II, III and IV of weeklies have been assigned the same scales of pay as classes D, E and F of dailies. On comparison, it will be seen that the total emoluments of the employees of these classes of weeklies will be less under the Committee's scheme than under the Wage Board decision. The reasons for pitching the scales of D, E and F classes of dailies somewhat lower than the scales contemplated by the Wage Board have been mentioned earlier. The Committee feels that the benefits of these lower scales of remuneration should be extended to the comparable classes of weeklies also. In the case of classes II, III and IV weeklies therefore, the Committee is satisfied that the scales recommended by it are reasonable.

News Agencies

64. The scales of pay assigned to the three classes of news agencies are the same as those assigned to B, C and E classes of dailies. Of the two Indian news agencies, one falls in class 1 and the other in class 3. The one falling in class 1, viz., the Press Trust of India Ltd., had a gross revenue of Rs. 48 lakhs in 1957.

65. The management has represented that the agency's capacity to pay depends on the capacity of the newspapers which are its subscribers, that there is no elasticity of demand for the news supplied by the agency as may be seen from the fact that a 10 per cent. increase in rates brought in only 5 per cent. additional revenues (though this has since increased to 7 per cent.), that a rival news agency (since gone out of business) has syphoned off much of its revenue and that the agency has practically no reserves. In the oral evidence, representatives of the Press Trust of India stated that the circumstance that should be considered in the case of news agencies was the proportion of the revenues spent on staff, and particularly on working journalists, and that this was already very high, being 40 per cent. on the entire staff and 20—22 per cent. on working journalists.

66. In the representation of the Federation of the P.T.I. Employees' Unions, certain observations pertaining to these claims of the management have been made, viz., that the P.T.I. is a consumer co-operative, that as the share-holders themselves are the main consumers, there is no incentive or scope for the agency to show any substantial profits,

that as the policy of the P.T.I. is to supply as cheap a news service as possible, only nominal financial results follow from that policy, that the work in the biggest news agency of the country is arduous and taxing, that as news comes in at all hours, there is, unlike in a newspaper establishment, nothing like normal and peak periods in a shift, that the standards of impartiality, objectivity and integrity expected of the staff are higher in the case of a news agency than in the case of a single newspaper establishment, that the agency is grossly undercapitalised having only a nominal capital of Rs. 4 lakhs and that surplus revenues during the last eight years have been used up to pay off debentures, which means diversion of revenue receipts for capital expenditure. These are pertinent observations which the Committee cannot afford to overlook. The foremost news agency of the country cannot be content with engaging third-rate employees on low scales of salaries as such a policy must immediately tell upon the quality of its service and consequently on the calibre of the newspapers which it feeds. Even the top papers of the country depend to a large extent on the service rendered by the P.T.I. If they must maintain high standards, they should get good service from the P.T.I. and they should be prepared to pay for it adequately.

67. The Committee has assigned to a class I news agency only the scales recommended by it for B class papers. This itself, in a way, is a concession for an establishment the gross revenues of which are about Rs. 50 lakhs. The P.T.I. has introduced a scale of Rs. 125—800 for all working journalists except the seven senior persons at the top who get substantially higher rates of remuneration. The scales recommended by the Committee cover the range of Rs. 175—900. The Committee feels that the agency should be able to raise enough funds to pay employees according to the scales recommended by it.

68. The only other news agency in existence, viz., the Hindustan Samachar Service falls in class 3. It was formed only in January 1957 as a working co-operative society and has now a gross revenue of about Rs. 1 lakh. It is still in the process of building up and has so far acquired only three teleprinters. For this class of news agencies, the scales recommended by the Committee are as for E class dailies. The scale of the sub-editor category, which is the most numerous, is only Rs. 100—225. This is, more or less, the remuneration that the agency is paying at present. Under the Wage Board Award, this agency was to have been treated on a par with B class papers (corresponding to the present C class) for a period of three years after which it, being a 'National News Agency', was to have been promoted to A class (present B class). An infant news agency with a gross revenue of only Rs. 1 lakh cannot obviously bear the burden appropriate to a newspaper with a gross revenue between Rs. 25 lakhs and Rs. 50 lakhs. The scales recommended by the Committee are moderate. Anything more would be beyond the capacity of news agencies of this class.

Capacity to Pay

69. Having examined our scales of wages in the light of the prevailing rates of wages, the next important point we have to consider is the capacity to pay. In this connection, we have to consider two points. The first is that no working journalist should get less than the bare or subsistence wage. This has to be provided to the journalists in any case whether

the employer has capacity to pay or not. The other point is that if the wages provided by us are higher than the bare or subsistence wage, they would not be justified unless we are satisfied that the industry has capacity to pay such wages.

70. As regards the first point, enough has been said already to show that no working journalist is, under our scheme, paid less than the bare or subsistence wage. In fact, our wages are on the whole much higher and approximate more to the living wage than to the bare or subsistence wage. The more important point to be considered, therefore, is whether the industry has the capacity to pay the wages recommended by us. The principles for determining the capacity have already been stated. It has also been explained that for this purpose classwise approach will be necessary and a fair cross-section of the industry will have to be taken for examination.

71. In order to get a fair cross-section of the industry, we selected 41 establishments for intensive study. The selected establishments are mostly those conducting daily papers though, as a group or chain, they may include weeklies and other periodicals. We also included the only important national news agency, viz., the Press Trust of India. We did not include other kinds of periodicals in the selection, like independent weeklies, fortnightlies, etc., since none of them or at the most just one or two of them have made representations before us on the question of wages.

72. In the list of selected papers, we have included all important daily newspapers as also papers published in different parts of the country. We have included both English and language papers. We have also included both prosperous as well as losing papers. We have included all papers which had gone to the Supreme Court against the Wage Board decisions. In our list are to be found papers owned by a variety of bodies like limited companies, registered societies, trusts and partnerships and there are also proprietary concerns in it. We have also taken care to include small, big and medium sized papers in fairly good numbers. The list can, therefore, be said to be a fair cross-section of the newspaper industry class-wise.

73. Having selected the newspapers we had their financial position carefully examined by appointing Authorized Officers. In all 22 Authorized Officers were appointed under section 5(3) of the Ordinance of 1953 and the selected establishments were suitably allotted to them. Detailed directions were given to the Authorized Officers as to how they were to undertake their enquiry and scrutiny of the accounts of the establishments. The Authorized Officers sent their reports which were examined by us and on the basis of the reports, profits or losses declared by the establishments were adjusted by us and the adjusted figures have been shown in statements prepared by us and kept in our confidential records. On account of the provisions of section 5(6) of the Act of 1958 we are not at liberty to disclose the reports of the Authorized Officers and hence the statements as also the reports of Authorized Officers are kept confidential. Apart from the list of selected establishments we have also examined other establishments though no intensive study of their accounts and their financial position has been undertaken.

74. The Supreme Court has stated that the Wage Board should have taken into consideration burden which would fall on the establishments under the following heads:—

- (1) increase in wage bill of working journalists due to the scales of wages fixed by the Wage Board;
- (2) extra burden due to the provisions of the Act of 1955 in respect of gratuity, provident fund, retrenchment compensation, leave and hours of work;
- (3) burden arising out of the likely repercussions on the non-working journalist staff of the establishment due to the higher wages allowed to working journalists; and
- (4) arrears of wages payable.

75. We have had the burden calculated under these headings where it was possible to do so. Thus, burden under heads (1) and (4) could be calculated fairly precisely after the necessary material was collected by us. This has been done. Burden under the other heads, e.g., under head (3) is uncertain and speculative. It is not possible to calculate precisely or even approximately the burden which may fall on the establishments if the non-working journalists ask for higher wages as a result of increase in the wages of working journalists. Their claims, taken to adjudication, may or may not be allowed and, if allowed, it is not possible to state to what extent they may be allowed. The employers are likely to contest such claims very vigorously. We have, therefore, refrained from calculating such burden in figures but have made due allowance for it.

76. On the above basis and on the basis of adjusted or declared profits, we have prepared another note in which we have considered, in respect of each establishment examined by us, first the profits available, then the burden which is likely to fall and lastly whether the establishment has the capacity to pay. In assessing finally the capacity to pay we have taken into consideration factors like tightening of organisation, increase in efficiency, etc. which have been indicated by the Supreme Court in the summary of their conclusions extracted in paragraph 10 above. As this note also deals with matters which have to be kept confidential, we have kept this note too in our confidential record. All the confidential record will be available to the Central Government and to the courts as contemplated by section 5(6) of the Act of 1958.

77. As a result of all this examination, we have found that the burden occasioned by the wages recommended by us is within the capacity of all the 8 daily newspapers in class A, of 5 out of 6 in class B, of 15 out of 18 in class C, of 14 out of 24 in class D, of 14 out of 21 in class E and of all the 8 in class F. Apart from these, there are borderline and doubtful cases. Including these, the proportion of papers which can bear the burden is sufficiently high. The proportion is higher still if only the papers for whom Authorised Officers were appointed are taken into account in classes D and E, as may well be done since such papers were selected for special study and their financial position as ascertained by us would be more reliable. As regards weeklies, and also as regards the only news agency, viz., the Press Trust of India, of which required information is available, it is found that all of them are either able to bear or can reasonably be expected to be able to bear, the burden. The conclusion which can be fairly drawn from the examination undertaken by us in the confidential note, and the results of which are set out above,

is that the newspaper industry has the capacity to pay the wages which we have recommended.

Some Important Matters Relating to the Recommendations

78. We have explained the method which we have adopted in fixing wages of working journalists. We have also indicated that, on an examination undertaken by us separately, we are satisfied that the newspaper industry has the capacity to pay the wages recommended by us. With this our main work is over. We shall now deal with the more important points which arise in relation to our recommendations.

79. We have already explained the general basis which we have adopted for the classification of newspapers and news agencies. The treatment we have accorded to groups, multiple units and chains requires explanation.

Groups, Multiple Units and Chains

80. The scheme of the Wage Board was to classify groups, multiple units and chains, that is, the establishment as a whole on the basis of the total gross revenue of all the constituent units. The Committee has departed from this scheme and, as a general rule, has treated each constituent unit on a separate basis. This treatment has been strongly criticised by the Indian Federation of Working Journalists on the ground that it constitutes an unwarranted departure from the usual procedure adopted in regard to such matters in industrial adjudication. The circumstances of the newspaper industry are, however, peculiar and a departure is justified.

81. In the first place, we would point out that to lump up all constituent units on the basis of the gross revenue of all put together would not be equitable in many cases. To mention only one glaring instance often cited by the employers in this connection, Kutch Mitra, a small daily paper belonging to the Saurashtra Group, with a gross revenue amounting to only about Rs. 49,000 and published from a small town, would, on such lumping up, have to pay to its staff scales on the basis of a C class paper to which the group, as a whole, will belong. On its own revenues, Kutch Mitra, would fall in F class, but on the Wage Board formula it would have to pay staff at the same rate as a large-sized C class paper like Janmabhoomi in Bombay which belongs to the same group. To allow to the staff of Kutch Mitra scales which are applicable to Janmabhoomi would be hardly justified.

82. There is another important consideration to be borne in mind. One of the factors to be taken into account for judging capacity to pay is whether the prescribed scales would drive the employer out of business. This criterion is applicable not only to the establishment as a whole but also to its constituent units as can be seen from the recent judgment of the Supreme Court in the case of Lipton & Co. Ltd., [1959 (1)LLJ.431]. In that case, one of the considerations taken into account for judging capacity was whether the Indian branch of the Company is likely to be closed if the burden of the increase in wages on that branch was too much. Similarly, in the case of the constituent units of a newspaper establishment, it will be necessary to consider whether the burden on any unit is such as would compel the employer to close down that unit. From this point of view, therefore, the Committee deems it necessary to consider the strength or weakness of each unit in order to find out whether the burden on it will or will not reach the breaking point.

The Supreme Court have drawn attention to this matter in the case of the Express Newspapers also when at p. 186 they have criticised the Wage Board for not taking into consideration the burden which their decisions would impose upon the weaker units of a particular newspaper establishment.

83 Though the strength of each unit is to be taken into consideration, it does not follow that each unit must be classified purely on its own revenues. A common management and a common pattern must imply some saving in cost. The extent of the saving is a debatable point. Considering the matter in a broad way and keeping in mind the economies which are likely to be achieved in various kinds of combinations, the Committee has evolved the scheme which is set out in paragraphs 11 to 14 of its recommendations.

84 We have allowed an isolated unit of a Chain—such as the Kutch Mitra—to be classified on its own revenues. On the other hand, we have placed all constituents of a multiple unit on par and have provided that they should all bear the classification of the largest of the units, with the qualification that no such unit should be placed more than two places above the class in which it would fall on its own revenues. The multiple units have been treated largely on par because we feel that certain savings are possible in such cases and that as the units are more or less identical in form and content the calibre of the working journalists and the standard of responsibility expected of them would be the same in all units. In the case of groups, *i.e.*, where more than one paper is published from the same centre, we feel that economy would not be of the same order as in the case of multiple units and hence we have allowed promotion by only one class and that too in the case of the weaker units falling in the three lower classes, D, E and F when they are grouped with units of the higher classes A, B and C. It is but fair that daily papers, including the 7th day edition of such papers, published in the same language from the same centre should be treated as together forming one unit. We have provided accordingly.

85. The Committee considers that the scheme adopted by it strikes a reasonable compromise between the economics of individual units and the savings which may be expected from common ownership and common management.

Initial Classification and Re-classification

86. Our scheme of initial classification is set out in paragraphs 2 to 8 of our recommendations and our scheme of re-classification is set out in paragraph 21. The general idea is that if a newspaper or news agency completes the years 1955, 1956 and 1957—the years taken by us for the purpose of our examination—then it would be classified on the basis of the average revenues of the three years, but if it completes only one or two years out of those years, then it would be classified on the basis of the revenues of these years. A newspaper or news agency starting in 1957 or thereafter is to be placed in the lowest class till it is re-classified under paragraph 21. One special feature of our scheme is that we have in paragraph 8 provided that in the case of transfer of a newspaper or news agency, the revenues under the previous owner should be deemed to be the revenues under the new owner for the purposes of paragraphs 3 to 7 of our recommendations.

Classification of Working Journalists

87. The Wage Board placed working journalists in four groups, the editor in group I, proof reader in group IV and other journalists in two

intermediate groups. The assistant editor, leader writer, news editor, chief sub editor, chief reporter, sports editor, film or art editor, commercial editor, feature editor, literary editor, special correspondent and cartoonist were included in group II and sub editor, reporter, full time correspondent not included in group II and news photographer in group III. It was to be inferred, as explained by the representatives of the Indian Federation of Working Journalists, that the Wage Board had come to the conclusion that it was not necessary to have more than two groups between editor and proof-reader. The broad basis of the classification between group II and group III apparently was that posts which were deemed to involve supervisory and directional duties and posts related to special types of work were included in group II and other posts were included in group III.

88. Some degree of flexibility was introduced by providing in paragraphs 21 and 22 of the Wage Board decision that (1) it was not obligatory for newspaper establishments to employ any or all of these categories of employees and that some of the functions might be combined and (2) the principal duties performed by the employee should determine the category of such employee and neither designation nor casual or occasional work should be taken into account for such categories. Even so, 12 categories were included in group II and only 4 in group III.

89. Functional definitions corresponding to these categories were also drawn up in the schedule attached to the Wage Board decision. These definitions were obviously intended to guide categorisation of journalists in each establishment. Where the definitions referred to posts involving supervisory or directional duties, like assistant editor, news editor or for that matter leader writer, the definitions were adequate. Where they referred to posts related to special types of work, problems of correctly applying the definition arose.

90. The Indian and Eastern Newspaper Society representing the proprietors contended that the grouping and functional definitions were, "vague, overlapping, unscientific and unreasonable and likely to lead to difficulties, disputes and extravagant claims." On the ground of their being vague and overlapping it was pointed out that a news editor who, "is in charge of the news desk and the production of the paper and may also supervise the work of reporters and correspondents" had been bracketed with a chief sub-editor who, "assigns and allocates work to sub-editors, supervises their work and is generally responsible for the determination of news space and the general display of news." It was argued that the news editor's responsibility for the production and news content of the paper was an overall responsibility not confined to one edition and that it was certainly higher than that of the chief sub-editor who displayed the news and did not have to organise the collection of news. Mention was also made of the fact that the chief reporter had been defined as one, "in charge of all reporters at the centres of publication of a newspaper, allocates work to them and supervises their work." But this function had earlier been assigned to the news editor.

91. It was ascertained during the examination of the representatives of the Indian Federation of Working Journalists that the chief sub-editor and chief news reporter, although they were placed in the same group as news editor, would be junior in service to a news editor who was likely to draw a higher salary in the group II scale either by virtue of longer service or earlier promotion. In other words, these posts are intermediate between sub-editor or reporter and news editor.

92. As regards posts related to special types of work like commercial editor, sports editor, film or art editor and feature editor, it was represented by the managements that the grouping and the functional definitions were unscientific and unreasonable because any working journalist, 'dealing with' or 'in charge of' a section of a paper could claim the benefit of group II. Their inclusion in this group along with assistant editor, leader writer or news editor, it was stated, assumed a degree of specialisation to exist in newspapers of all categories which was not the case. Although newspapers might have commercial or sports or film or literary coverage, those engaged in putting the matter together for these columns could not be deemed to be so senior as to be placed in a higher category along with the assistant editor, compared to those who were engaged in the general news room.

93. The real test, as it emerged after discussion with representatives of the Indian Federation of Working Journalists, appeared to be whether such persons had a sphere of duties which was independent of the assistant editor and if so, whether it was sufficiently defined and comprehensive. While in the interest of the working journalist and proper evaluation of duties for fixing higher scales of pay positions of distinguishable responsibility should be categorised and defined, the danger of categorising posts where responsibility could not be clearly demarcated was that it would boost up some and drag down others who might all hitherto have been of the same standing. Where newspapers made a special feature of such columns, and had persons in complete charge of those columns, such persons could be protected by a general provision rather than by a particular classification as it would depend partly on the standing of the person in the field and the responsibility conferred upon him.

94. Mention was also made of the fact that when a newspaper had more than one special correspondent accredited to the Central Government there would be difficulties of co-ordination and control if all of them, irrespective of their relative seniority, were placed in the category of assistant editor. In the case of news agencies, it was represented by both the establishment and employees' union that the classification and functional definitions in the Wage Board decision did not take into account the special set up of big news agencies. The latter also pointed out that a general manager who performed duties similar to those of an editor in respect of news agencies, the news editors who supervise the various news services, Indian, foreign and commercial, at the principal office of the news agency, the persons in charge of news bureau at important centres, all holding positions of distinguishable responsibility, had not been covered in the functional definitions.

95. The Committee has, therefore, drawn up classification of employees for newspapers and news agencies separately. In the case of newspapers, the chief sub-editor, the chief reporter, the principal correspondent in a metropolitan centre accredited to a State Government and a correspondent accredited to the Central Government other than a special correspondent have been placed in a separate group II-A. A category has been introduced in group III, "all working journalists other than those mentioned under any other group unless placed higher by the establishment." Certain modifications have also been made in the functional definitions wherever it was felt that the Wage Board definitions were likely to give rise to difficulties of interpretation.

Scales of Wages

96. We have provided scales of basic pay and a schedule of dearness allowance. The Supreme Court have now laid down clearly that the power to fix rates of wages includes the power to provide for scales. We have already stated why no scales have been provided for the editor class. For the rest, including proof-readers in the lowest class of papers, we have provided regular scales for reasons already mentioned.

Efficiency Bar

97. In fixing scales of wages, an important departure from the Wage Board scheme which we have made is to delete efficiency bars. There are efficiency bars in the scales of pay prescribed for Government servants. Though the stoppage of a Government servant at the efficiency bar in the time scale on the ground of unfitness to cross the bar^{*} is not treated as a penalty, representations are common and the orders of stoppages are reviewed periodically. In practice, there are few cases of the holding up of employees at efficiency bars either permanently or for long periods. In the case of private establishments, there will be no such safeguards and an employer who is annoyed or dissatisfied with an employee may effectively use the efficiency bar to stop him at the bar permanently. The Committee feels that unless provision is made for appeals to an independent authority, efficiency bars should not be included in pay scales. Since it is not possible for the Committee to provide for such appeals, we have decided not to include the efficiency bar.

Dearness and Location Allowance

98. The Wage Board had provided for both dearness allowance and location allowance. The dearness allowance was linked by them to the all-India cost of living index while location allowance was fixed area-wise. A number of employers objected to the location allowance on the ground that when employees were recruited from a particular area, the higher cost of living of that area was bound to be taken into account in fixing his emoluments and that no separate location allowance was necessary over and above the dearness allowance. There is some force in this contention. Moreover, the bigger papers are generally located in the larger towns with comparatively higher costs of living and as the scales applicable to them are high, their employees are generally amply protected against the high cost of living. The Committee has, therefore, omitted the provision regarding location allowance. Instead of that, it has put up the scales of dearness allowance for the bigger towns to some extent to include an element of higher cost of living in such places.

99. As regards dearness allowance itself, the Committee had before it several methods of providing such an allowance including the one adopted by the Wage Board of linking it with the cost of living index. After a careful consideration, the Committee has come to the conclusion^{*} that in a settlement of an all-India character concerning employees of the higher income groups, it is neither feasible nor necessary to relate their remuneration, or the dearness allowance component of the remuneration, to the cost of living index. What may be done in such a case is to evolve a wage structure, the dearness allowance component of which would compare favourably with the rates allowed by some of the larger employers—particularly public and quasi-public employers. The pattern of dearness allowance in establishments of the private sector for middle class

^{*}Reasons for the conclusions are set out in a note prepared by one of our Members, Shri K. N. Subramanian and a copy of the same is annexed to this Report (Annexure II).

employees, such as junior and senior executives, is not at all uniform. Sometimes, the dearness allowance paid is at a certain fixed percentage of the basic salary and sometimes at different rates on different slabs of income. The rates of dearness allowance given in certain establishments are as high as 50% of the basic pay. However, an important point to be remembered about remuneration in the private sector is that the higher executives are often employed on contract for short periods of three or five years. Though often these contracts are renewed from time to time, the remuneration payable is based on individual contracts. The Committee feels that for the purpose of evolving an all-India scheme of wages, it is not possible to draw any conclusions from payments in establishments in the private sector.

100. The Central and State Governments, quasi-Governmental organizations, corporations in the public sector and other large public employers have a pattern of dearness allowance which is almost uniform except for minor variations in details. The maximum dearness allowance paid at the present time is Rs. 100 for the salary group of Rs. 751 to Rs. 1,000, the dearness allowance disappearing altogether after marginal adjustment above that group. The minimum amount of dearness allowance paid for salaries up to Rs. 50 p.m. varies between Rs. 30 and Rs. 40 in the case of State Governments and goes up to Rs. 45 in the case of the Central Government. Besides, the Central Government pay certain compensatory and house rent allowances to employees in Bombay, Calcutta and some of the larger towns. The Central Government have, therefore, recognised the need for supplementing dearness allowance only in the case of about a dozen large towns. Newspaper employers are very emphatic that any pattern of dearness allowance prescribed for working journalists will invariably have to be applied to other employees of their establishments and that the scale of dearness allowance prescribed should not be such as to impose an unbearable burden in its application to the entire staff. Working journalists would generally be inclined to compare their remuneration more with the emoluments paid to the employees of Government and of other public bodies, of corresponding status and intellectual attainments, than with the emoluments given in industry and commerce. The Committee, therefore, feels that a pattern of dearness allowance based on the rates generally applicable in Central and State Governments together with a certain additional element (in place of separate compensatory allowances) for the admittedly higher cost of living in metropolitan cities and other large towns would be appropriate for working journalists. It is on this basis that it has drawn up the scales of dearness allowance set out in paragraph 27 of its recommendations.

101. Since no attempt has been made to relate the dearness allowance to any particular level of cost of living or to make it vary with changes in the cost of living, it should broadly be taken that the scales of pay and dearness allowance laid down by the Committee are such as would be appropriate in the circumstances obtaining in the year of enquiry, viz., 1958-59. If the circumstances change, in course of time, so as to affect the cost of living of the middle classes substantially, there would be need to review the level of remuneration in the light of the altered conditions. As, however, the Committee is laying down fair wages of remuneration, which mean a substantial improvement over the present position in the case of many papers, they do not visualise that the need to alter the scheme of basic pay and dearness allowance will arise all too soon.

Proof Readers and Copy Holders

102. We have already dealt with proof readers in several places. The object of taking the same subject again is to deal with the argument advanced by several employers before us that proof readers are not working journalists and that we should not fix wages for them. It seems to us that it is too late in the day to advance this argument. The Madras High Court has held that the definition of working journalists in section 2(f) of the Act of 1955 being what it is, and since it specifically mentions a proof reader, this category of employees must be regarded as working journalists [(1957) II L.L.J. 275]. The Supreme Court in the Express Newspaper Co.'s case has proceeded on the same view. It is not therefore open to us, on the case law as it stands, to take a different view. Whether copy holders are working journalists is a question of fact depending on the actual duties they perform. In the Madras case already referred to, copy holders in the Hindu were held to be proof readers because at certain stages they examined proofs. Copy holders as such are not expressly mentioned in the definition in section 2(f) of the Act and they would be entitled to wages of a working journalist only if they show that they come within the terms of the definition of working journalist. We have, therefore, not provided for wages of copy holders as such.

Part-time Correspondents

103. We have provided a regular scale of retainer for part-time correspondents. It is to be noted that remuneration in accordance with that scale will be available to the part-time correspondents only if, in accordance with the definition in paragraph 23, Part II, of our recommendations, their principal avocation is journalism. Many of the part-time correspondents at present employed by newspaper establishments may not fall within the definition if their principal avocation is something else and **journalism is only a side business. Whether retainer should be provided** for this kind of part-time employees is a different question which is not within the purview of this Committee since we can recommend wages for working journalists alone. We do not, therefore, express any opinion on this issue.

Fitment

104. We have made separate provisions for fitment on initial classification of a newspaper or a news agency and on its re-classification. In regard to fitment on initial classification, we have evolved a scheme which, to our mind, is reasonable. It gives credit for past payment of increments by the more progressive employers. We have also provided several safeguards to protect the interests of both the employers and the employees.

Retrospective Operation

105. The Committee considers that working journalists have been deprived of their right to a proper scheme of wages for a long time and feels that some retrospective operation should be provided to the scales of pay recommended by it. At the same time, we feel that the burden of retrospective operation should not be such as to create serious financial difficulties to newspapers, most of which have no reserves from which to make such payments. In particular, we feel that the smaller papers should not be subjected to this burden at all. That is the reason why we have considered it proper to give retrospective operation only in the case of A, B and C class of daily newspapers and class I of news agencies and that too only from the 1st of June, 1958, that being the month in which

our Committee was constituted. As regards the others, we have recommended only prospective operation from the date on which Government would pass orders on our recommendations. Even as regards the bigger papers, we have allowed relief by providing that the arrears will be payable in four half-yearly instalments so that they can be spread over two accounting years.

106. That completes the consideration of the more important points which arise in relation to the recommendations made by us. Section 4(4) of the Act of 1958 provides that in making recommendations the Committee shall have regard to all the matters set out in section 9(1) of the Act of 1955. Section 9(1) of the latter Act provides that in fixing rates of wages in respect of working journalists, the Board shall have regard to the cost of living, the prevailing rates of wages in comparable employments, the circumstances relating to the newspaper industry in different regions of the country and to any other circumstance which to the Board may seem relevant. The Supreme Court has interpreted "the circumstances relating to the newspaper industry in different regions of the country" as including the capacity of the industry to pay. We have duly considered all these matters. Cost of living has not been directly dealt with except in a few cases for reasons already mentioned, but it has been taken into account indirectly in so far as it is reflected in emoluments payable for comparable employments and in the dearness allowance recommended by us.

107. The Committee has thus followed the procedure prescribed by the Act of 1958 and has taken into consideration matters which the Act requires it to take into consideration. The Committee has also given due regard to the views expressed by the Supreme Court on all relevant matters in the Express Newspaper Co.'s case. The recommendations which are the result of all these deliberations are set out in the next Chapter.

CHAPTER III—RECOMMENDATIONS OF THE COMMITTEE

Preliminary

1. *Definitions.*—In the following paragraphs and in the Schedule, the following expressions shall have the meanings assigned to them:

'Accounting Year' used with reference to a particular year shall, in the case of a newspaper establishment whose accounting year is a calendar year, mean that calendar year and shall, in the case of a newspaper establishment whose accounting year is different from the calendar year, mean that accounting year of the establishment of which more than half falls in the particular calendar year.

Example: If the accounting year of a newspaper establishment starts from 1st April, reference to the accounting year 1955 in the succeeding paragraphs shall be construed as reference to the accounting year 1955-56 of such establishment. On the other hand, if the accounting year of a newspaper establishment starts from 1st October, reference to the accounting year 1955 in these paragraphs will be construed as reference to the accounting year 1954-55 of that establishment.

'Category' means any of the kinds of employees mentioned under the groups set out in paragraph 23.

'Gross Revenue' means in the case of a newspaper the total of its circulation revenue (including subscription revenue) and advertisement revenue and in the case of a news agency, means the subscription revenue. In the case of a newspaper, the circulation revenue and the advertisement revenue

shall be taken to be the amount of such revenue arrived at, after deducting the commission actually allowed to the extent to which the amount of the commission so allowed is reasonable.

'Group' means two or more newspapers published by a newspaper establishment from the same centre; 'Multiple Unit' means the same newspaper published from more than one centre by a newspaper establishment; 'Chain' means more than one newspaper published by a newspaper establishment from more than one centre.

'Metropolitan Centre' or 'Metropolitan City' means the city of Bombay, Calcutta, Delhi or Madras.

Classification of Newspapers and News Agencies

2. For the purpose of fixation of wages of working journalists, newspapers and news agencies should be classified in the manner hereinafter provided.

3. Classification of newspapers and news agencies should be based on the average revenues of the three accounting years, 1955, 1956 and 1957.

4. In the case of a newspaper or a news agency completing two out of the aforesaid three accounting years, its classification should be determined on the basis of its average revenues for those two years.

5. In the case of a newspaper or a news agency which has completed only one year of the said accounting years, its classification should be determined on the basis of its revenues for that year.

6. The classification determined in accordance with the provisions of paragraphs 3, 4 and 5 should continue until the newspaper or news agency is re-classified in accordance with the provisions of paragraph 21.

7. A newspaper or news agency started during the accounting year 1957 or at any time thereafter should be deemed to fall within the lowest class of newspapers or news agencies and should continue to remain in that class until it is re-classified according to the provisions of paragraph 21.

8. If the ownership of a newspaper or a news agency is transferred by one person to another at any time after the accounting year 1954, the provisions of paragraphs 3 to 7 should apply to such newspaper or news agency as if the revenues of the newspaper or news agency for the relevant accounting years under the previous owner were its revenues for those years under the new owner.

Dailies:

9. Daily newspapers should, subject to the provisions of the succeeding paragraphs, be classified under the following six classes:

Class	Gross Revenue
A . . .	Rs. 50 lakhs and above.
B . . .	Rs. 25 lakhs and above, but less than Rs. 50 lakhs.
C . . .	Rs. 12½ lakhs and above, but less than Rs. 25 lakhs.
D . . .	Rs. 5 lakhs and above, but less than Rs. 12½ lakhs.
E . . .	Rs. 2½ lakhs and above, but less than Rs. 5 lakhs.
F . . .	Less than Rs. 2½ lakhs.

10. If the advertisement revenue of any such newspaper, not being a newspaper falling in Class F, is less than half of its circulation revenue, it should be placed in the class next below that in which it would fall on the basis of its gross revenue.

Groups, Multiple Units and Chains:

11. In the case of a multiple unit, all constituent units should be placed in the highest of the classes in which they are taken separately, would fall, under the foregoing provisions, provided that no such unit should as a result of the provisions of this paragraph be placed more than two classes above the class in which it would fall on the basis of its own revenues in accordance with the provisions of paragraphs 9 and 10.

12. In the case of a group, each of the units in the group should be classified in accordance with the provisions of paragraphs 9 and 10 on the basis of its own revenues or, if it is a unit forming part of a multiple unit, in accordance with the provisions of paragraph 11:

Provided that if there is a unit or units falling under any of the classes A, B or C and also a unit or units falling under any of the classes D, E or F, then the unit or units falling under any of the classes A, B or C should be retained in that class and the unit or units falling in any of the classes D, E or F should be placed in the class next above such class:

Provided further that notwithstanding anything contained in this paragraph, if the group contains a constituent unit of a multiple unit, such constituent unit should not be placed in a class higher than that in which it would fall in accordance with the provisions of paragraph 11.

13. For the purpose of paragraph 12, all dailies including the seventh-day edition of a daily, by whatever name called, published by a newspaper establishment in the same language from the same centre should be taken together and treated as if they formed one unit and the revenues of all such papers put together should be deemed to be the revenues of such unit.

14. Where a newspaper in a chain is published from a centre from where no other newspaper in that chain is published, and such newspaper does not form part of a multiple unit, the newspaper should, notwithstanding anything contained in paragraph 12, be classified on the basis of its own revenues in accordance with the provisions of paragraphs 9 and 10.

Weeklies:

15. Weeklies should be classified on the basis of their gross revenue as follows:

Class	Gross Revenue
I . . .	Rs. 12½ lakhs and above.
II . . .	Rs. 5 lakhs and above, but less than Rs. 12½ lakhs.
III . . .	Rs. 1 lakh and above, but less than Rs. 5 lakhs.
IV . . .	Below Rs. 1 lakh.

16. A weekly, which is substantially the seventh-day edition of a daily or a special edition of a daily by whatever name it may be called, should be deemed to be part of the daily and should be dealt with in accordance with the provisions of paragraphs 11, 12 and 13. All other weeklies, whether forming part of a group or chain or not, should be classified as weeklies in accordance with the provisions of paragraph 15.

Bi-weeklies and Tri-weeklies:

17. All bi-weeklies and tri-weeklies should be classified on the basis of their gross revenue in accordance with the provisions of paragraph 15.

Other Periodicals:

18. In view of the paucity of evidence in respect of periodicals which are intended to be published at longer intervals than a week, the Committee do not make any recommendations regarding salaries, scales or grades for working journalists employed in establishments publishing such periodicals.

News Agencies:

19. Except as provided in paragraph 20, news agencies should be classified on the basis of their gross revenue as follows:

Class	Gross Revenue
1	Rs. 25 lakhs and above.
2	Rs. 10 lakhs and above, but less than Rs. 25 lakhs.
3	Below Rs. 10 lakhs.

20. A foreign news agency, that is to say, a news agency which operates in India but whose principal office is situated outside India, should be treated as belonging to class 1 of news agencies.

Re-classification:

21. It should be open either to the employer or to the employees to seek re-classification of a newspaper or news agency at any time after the accounting year 1960 on the basis of the average revenues of the three immediately preceding accounting years provided that such re-classification should not be sought more than once in any period of three consecutive accounting years.

Classification of Areas

22. For the purpose of payment of dearness allowance to full-time employees and monthly retainer to part-time employees, areas should be classified as follows:

Area I	Metropolitan cities.
Area II	Towns with a population of over 5 lakhs but excluding metropolitan cities.
Area III	Other places.

(The population figures as published in the last available All-India Census report should be taken to be the figures for the purpose of the above classification.)

Classification of Working Journalists

23. Working journalists employed in newspaper establishments should be grouped as follows:—

I. Full-time employees :**(a) In Newspapers :**

Group	Category
I	Editor.
II	(i) Assistant Editor. (ii) Leader Writer. (iii) News Editor. (iv) Special Correspondent.

II-A	(i) Chief Sub Editor. (ii) Chief Reporter. (iii) Principal Correspondent in a metropolitan centre accredited to a State Government. (iv) Correspondent accredited to the Central Government other than a Special Correspondent.
III	(i) Sub Editor. (ii) Reporter. (iii) Correspondent. (iv) All working journalists other than those mentioned under any other group unless placed higher by the establishment.
IV	Proof Reader.
(b) <i>In News Agencies :</i>	
(i) <i>Class 1 News Agency:</i>	
Group	Category
I	General Manager or Editor.
I-A	(i) Chief News Editor. (ii) Person in charge of the principal news bureau in a metropolitan centre.
II	(i) News Editor (Indian News). (ii) News Editor (Foreign News). (iii) News Editor (Commercial News). (iv) Special Correspondent. (v) Person in charge of the principal news bureau in a State, other than in a metropolitan centre.
II-A	(i) Senior Correspondent. (ii) Chief Reporter. (iii) Chief Sub Editor.
III	(i) Reporter. (ii) Correspondent. (iii) Sub Editor. (iv) Person in charge of a news bureau at a centre other than those mentioned above. (v) All working journalists other than those mentioned under any other group unless placed higher by the establishment.

(ii) *Classes 2 and 3 News Agencies :*

Group	Category
I	General Manager or Editor.
II	(i) Assistant Editor. (ii) News Editor. (iii) Special Correspondent.
II-A	(i) Senior Correspondent. (ii) Chief Reporter. (iii) Chief Sub Editor.
III	(i) Sub Editor. (ii) Reporter. (iii) All working journalists other than those mentioned under any other group unless placed higher by the establishment.

(For functional definitions of various categories of working journalists see Schedule.)

II. Part-time Employees

Part-time correspondents whose principal avocation is that of journalism.

24. It is not obligatory for a newspaper establishment to employ any or all of the categories of employees grouped above. Some of the functions may be combined.

25. The principal duties performed by an employee should determine the category of such employee; neither designation nor casual or occasional work should be taken into account for such categorisation.

REMUNERATION

Wages, Scales and Grades

26. Working journalists of different groups employed in different classes of newspapers and news agencies should be paid basic pay per mensem in accordance with the following scales:—

I. *Dailies* :

Class of Newspaper 1	Group of employees 2	Scale 3
A	I	No scale.
	II	Rs. 600—50—1,000 (8 yrs.)
	II-A.	Rs. 500—30—650—50—900 (10 yrs.)
	III	Rs. 250—25—450—30—600—40—800 (18 yrs.)
	IV	Rs. 125—7½—155—10—225—15—300 (16 yrs.)
B	I	No scale.
	II	Rs. 500—30—650—50—900 (10 yrs.)
	II-A.	Rs. 400—25—600—40—800 (13 yrs.)
	III	Rs. 175—20—375—25—600 (19 yrs.)
	IV	Rs. 100—5—120—7½—180—10—200—15—260 (18 yrs.)
C	I	No scale.
	II	Rs. 400—20—500—25—650 (11 yrs.)
	II-A.	Rs. 350—20—450—25—600 (11 yrs.)
	III	Rs. 150—15—300—20—500 (20 yrs.)
	IV	Rs. 80—5—130—7½—160—10—200 (18 yrs.)
D	I	No scale.
	II	Rs. 200—15—350—25—450 (14 yrs.)
	II-A.	Rs. 175—15—325—25—400 (13 yrs.)
	III	Rs. 125—7½—200—10—210—15—300 (17 yrs.)
	IV	Rs. 75—5—125—7½—170 (16 yrs.)
E	I	No scale.
	II	Rs. 150—15—225—25—325 (9 yrs.)
	II-A.	Rs. 125—15—200—25—300 (9 yrs.)
	III	Rs. 100—5—150—10—200—12½—225 (17 yrs.)
	IV	Rs. 70—5—140 (14 yrs.)

I. *Dailies*—contd.

I	2	3
F	I . . .	No scale.
	II . . .	Rs. 125—10—175—12½—200 (7 yrs.)
	II-A. . .	Rs. 100—10—180 (8 yrs.)
	III . . .	Rs. 80—5—150 (14 yrs.)
	IV . . .	Rs. 65—5—120 (11 yrs.)

II. *Weeklies*:

Class of Weekly	Group of employees	Scale
I . . .	I . . .	No scale.
	II . . .	Rs. 400—20—500—25—650 (11 yrs.)
	III . . .	Rs. 150—15—300—20—500 (20 yrs.)
	IV . . .	Rs. 80—5—130—7½—160—10—200 (18 yrs.)
II . . .	I . . .	No scale.
	II . . .	Rs. 200—15—350—25—450 (14 yrs.)
	III . . .	Rs. 125—7½—200—10—210—15—300 (17 yrs.)
	IV . . .	Rs. 75—5—125—7½—170 (16 yrs.)
III . . .	I . . .	No scale.
	II . . .	Rs. 150—15—225—25—325 (9 yrs.)
	III . . .	Rs. 100—5—150—10—200—12½—225 (17 yrs.)
	IV . . .	Rs. 70—5—140 (14 yrs.)
IV . . .	I . . .	No scale.
	II . . .	Rs. 125—10—175—12½—200 (7 yrs.)
	III . . .	Rs. 80—5—150 (14 yrs.)
	IV . . .	Rs. 65—5—120 (11 yrs.)

III. *News Agencies*:

Class of News Agency	Group of employees	Scale
I	2	3
I . . .	I . . .	No scale.
	I-A . . .	No scale.
	II . . .	Rs. 500—30—650—50—900 (10 yrs.)
	II-A. . .	Rs. 400—25—600—40—800 (13 yrs.)
	III . . .	Rs. 175—20—375—25—600 (19 yrs.)

III. *New Agencies—contd.*

1	2	3
2	I . . .	No scale.
	II . . .	Rs. 400—20—500—25—650 (11 yrs.)
	II-A. . .	Rs. 350—20—450—25—600 (11 yrs.)
	III . . .	Rs. 150—15—300—20—500 (20 yrs.)
3	I . . .	No scale.
	II . . .	Rs. 150—15—225—25—325 (9 yrs.)
	II-A. . .	Rs. 125—15—200—25—300 (9 yrs.)
	III . . .	Rs. 100—5—150—10—200—12½—225 (17yrs.)

Dearness Allowance.

27. Dearness Allowance should be paid to working journalists at the following rates:—

Range of Basic Pay	Area I Rs.	Area II Rs.	Area III Rs.
Rs. 65—100	50	40	30
101—200	60	50	40
201—300	70	60	50
301—400	80	70	60
401—500	90	80	70
501—750	105	95	85
751 and above	120	110	100

Remuneration of Part-time Employees.

28. Part-time correspondents should be paid a monthly retainer at the following rates:—

Class of Daily	Class of News Agency	Area I Rs.	Area II Rs.	Area III Rs.
A . . . . .	..	100	75	25
B	I	75	50	20
C	2	50	40	15
D . . . . .	.. . . .	40	30	15
E	3	25	20	10
F . . . . .	.. . . .	25	15	10

For the purpose of the above table, the area applicable to a part-time correspondent should be the area in which he resides. Any further payment on a column basis should be the subject of mutual settlement.

Other Allowances

29. In view of the paucity of evidence on the subject, the Committee recommends that the fixation of conveyance, entertainment, travelling, overseas and other allowances should be left to collective bargaining between the working journalists and the newspaper establishments concerned.

FITMENT

On Initial Application of the New Scales

30. For the purpose of paragraphs 31 to 36 and paragraph 41, "relevant date" means—

in the case of classes A, B and C of dailies
and class 1 of news agencies 1st June, 1958

in the case of classes D, E and F of dailies, all classes of weeklies and classes 2 and 3 of news agencies. The date of publication of the order of Central Government on these recommendations under section 6 (3) of the Working Journalists (Fixation of Rates of Wages) Act, 1958.

31. For fitment of the employees into the new scales, only the service in a particular group in the particular newspaper or news agency or in a newspaper or news agency produced or conducted by the same establishment, should be taken into account. The scale into which an employee is to be fitted should be the scale prescribed in paragraph 26 for the group to which he belongs.

32. The basic pay of a working journalist should be fixed at the stage corresponding to his existing basic pay as on the relevant date or if there is no such stage in the scale, then at the next higher stage provided that if the addition to the minimum pay of the scale of a number of increments equal to one for every two completed years of service in the group to which he belongs, takes him to a higher stage in that scale his basic pay should be fixed at such higher stage:

Provided further that if his existing basic pay is higher by at least Rs. 50 than what he would be entitled to on a point-to-point basis in the scale in paragraph 26 applicable to him and if such existing basic pay does not coincide with a stage in that scale, he should be fitted at the next lower stage, but the existing basic pay should be protected and the difference may be absorbed in a future increment.

33. For the purpose of paragraph 32, the existing basic pay of a working journalist as on the relevant date should be arrived at by taking the pay allowed to him by his employer on the relevant date, whether it be called basic or consolidated, adding to it the amount of dearness allowance, if any, which he may be receiving and deducting therefrom the amount of dearness allowance calculated in accordance with the provisions of paragraph 27 above which will be appropriate to the resulting basic pay.

34. For the purpose of paragraphs 32 and 33, a scale of pay or dearness allowance or location allowance enjoyed by an employee on the relevant date as a result of the implementation of the Wage Board decision should not be taken into account and the emoluments which he would have

received but for such implementation should be the basis for working out his existing basic pay for the purpose of those paragraphs.

35. When a working journalist is fitted into a scale in accordance with the provisions of paragraphs 32 to 34 as on the relevant date, he should be entitled to count increments in the appropriate scales as from that date.

36. In no case should the total of the existing basic pay and dearness allowance, if any, be reduced as a result of the operation of the provisions contained in these recommendations; provided that in cases where the Wage Board decisions stand implemented on the relevant date, the excess of the total of the basic pay, dearness allowance and location allowance, if any, payable on that date under that decision over the total of the basic pay fixed in accordance with the provisions of paragraph 32 and dearness allowance laid down in paragraph 27 may be absorbed in future increments.

37. If the total of the basic pay and dearness allowance, if any, payable to any group of working journalists by an establishment in accordance with its own scheme of wages is in excess of the total of the basic pay and dearness allowance payable to working journalists in that group under the scheme of our recommendations year by year, the employer may maintain his own scheme of wages and allowances for that group and in such case the provisions of paragraphs 30 to 36 should not apply to such group.

On Re-classification

38. When a newspaper or news agency is re-classified in accordance with paragraph 21, the employee should be fitted into the new scale applicable to him on his existing basic pay. When the basic pay does not coincide with a stage in the new scale, the employee should be fitted at the next higher stage when the classification goes up and at the next lower stage when the classification goes down. In the latter case, the higher existing basic pay should be protected and the difference between the existing basic pay and the pay to which he is so fitted may be absorbed in a future increment.

APPRENTICES AND PROBATIONERS

39. An apprentice is a person who is only a learner and not an employee in a newspaper establishment. The period of apprenticeship should not exceed two years.

40. A working journalist may be employed as a probationer for a period not exceeding one year during which he should get a basic pay at not less than the minimum of the scale applicable to the class of newspaper or news agency and the group in which he is a probationer and should also get the appropriate dearness allowance.

DATE OF OPERATION

41. These recommendations should be operative in respect of each newspaper and news agency as from the relevant date applicable to it in accordance with paragraph 30.

42. The total amount of arrears payable by any newspaper or news agency to its working journalists as a result of retrospective operation provided in paragraph 41 should be paid in four equal half-yearly instalments, the first instalment being payable not later than six months from

the date of publication of the order of the Central Government under section 6(3) of the Working Journalists (Fixation of Rates of Wages) Act, 1958, on these recommendations, the second instalment being payable not later than 12 months from that date and so on:

Provided that if the services of any working journalist are terminated by the employer before all the instalments are paid, the balance of the instalments remaining unpaid should become due immediately on such termination.

SCHEDULE

FUNCTIONAL DEFINITIONS OF THE VARIOUS CATEGORIES OF WORKING JOURNALISTS

SECTION I—NEWSPAPERS

Group I

Editor is a person who directs and supervises the work of the editorial side of a newspaper.

Group II

Assistant Editor is a person who assists the Editor in the discharge of his duties generally in relation to comments and opinions and writes leaders and may also write other copy involving review, comment or criticism.

Leader Writer is a person who regularly writes leaders and may also write other copy involving review, comment or criticism.

News Editor is a person who co-ordinates and supervises the news department of a newspaper and is responsible for the news content of all the editions of a newspaper.

Special Correspondent is a person whose duties regularly include reporting and interpreting all news of parliamentary, political and general importance as an accredited correspondent at the headquarters of the Central Government and where there is more than one correspondent of the newspaper establishment so accredited, the principal correspondent.

Group II-A

Chief Sub-Editor is a person who regularly assigns and allocates work to Sub-editors, supervises their work and is generally responsible for the determination of news space and the general display of news.

Chief Reporter is a person who is in charge of all reporters at a centre of publication, supervises their work and also reports on the more important news of the centre.

Group III

Sub-Editor is a person who receives, selects, shortens, summarises, elaborates, translates, edits and headlines news items of all descriptions. He may do some or all of those functions.

Reporter is a person who gathers and presents news at a particular centre.

Correspondent is a person who gathers and dispatches by wire, post or any other means, news from any centre.

Group IV

Proof Reader is a person who checks up printed matter or "proof" with editor copy to ensure strict conformity of the former with the latter. Factual discrepancies, slips of spelling, mistakes of grammar and syntax may also be discovered by him and he either corrects or gets them corrected.

SECTION II--NEWS AGENCIES

Group I

General Manager or Editor is a person who is in overall charge of a news agency.

Group I-A

Chief News Editor is a person who directs and supervises the news services of the entire agency.

Group II

News Editor is a person who is in charge of a news desk and supervises, directs and guides news services in the principal office of the news agency.

Special Correspondent is a person whose regular duties are to report all news of parliamentary, political and general importance and who is accredited to the Central Government.

Assistant Editor in a class 2 or class 3 news agency is a person who assists the General Manager or Editor in the discharge of his duties generally.

Group II-A

Senior Correspondent is a person whose regular duties are to report all news of parliamentary, political and general importance.

Chief Reporter is a person in a metropolitan centre who is in charge of all reporters in that centre and also reports on the more important news of the centre.

Chief Sub-Editor is a person in a metropolitan centre who regularly takes charge of a shift on the editorial desk and assigns duties and supervises the work of the sub-editors.

Group III

Reporter is a person who gathers and presents news at a particular centre.

Correspondent is a person who gathers and dispatches by wire, post or any other means, news from any centre.

Sub-Editor is a person who receives, selects, shortens, summarises, elaborates, edits and headlines news items of all descriptions. He may do some or all of those functions.

ACKNOWLEDGEMENT

We have come to the end of our report but we cannot consider it complete without acknowledging the help rendered to us in our task.

Shri S. Vaidyanath Aiyar, one of the members of our Committee, who was unfortunately taken away from our midst, rendered valuable help to us. With his expert knowledge of accountancy, thorough grasp, sympathetic understanding and cheerfulness of manners, he proved a great asset to our Committee. He was with us throughout the greater part of our work including examination of witnesses and we found his contributions to the discussions and other work of the Committee very helpful. We, therefore, place on record our deep sense of gratitude for all the assistance he has given us.

We would also express our thanks to Shri G. Venkatasubramaniam, the Secretary to the Committee, who, with his considerable experience in such matters, gave valuable help to the Committee and also carried out the work of the Committee throughout with efficiency. We are equally thankful to Shri M. A. M. Rao, Assistant Director, Labour Bureau, whose experience of work with the Wage Board proceedings was of great use to us. He helped us a great deal in the compilation of material and preparation of statements which were so necessary for our work. Both the officers spared no pains in rendering the required assistance to the Committee. We must also offer our thanks to the staff of the Committee who had very often to work under great pressure but who acquitted themselves well by doing their work efficiently and within the prescribed time.

The Authorised Officers appointed by us have sent us their reports which have been of help in ascertaining the correct financial position of the newspaper establishments. Some of the Authorised Officers have been thorough and have given us valuable reports. Our thanks are due to them all. We have also to thank the four teams of officers sent out to collect material regarding burden towards the end of our deliberations and who did a useful piece of work within the allotted time.

In the end, we must say that we shall be failing in our duty if we did not express our deep sense of gratitude to the newspaper establishments, working journalists and their associations for the ready and willing co-operation extended to us throughout our proceedings. But for such co-operation our task would have been much more difficult.

We now submit our recommendations to the Central Government for their considerations in the hope that this long-drawn-out controversy between the employers and the working journalists will come to an end and an era of peace and co-operation will dawn on this industry which is so important to the life of the nation.

Dated this the 23rd May, 1959.

K. Y. BHANDARKAR,
Chairman.

K. N. SUBRAMANIAN,
Member.

R. C. DUTT,
Member.

T. R. V. CHARI,
Member.

G. VENKATASUBRAMANIAM,
Secretary.

ANNEXURE I
A.—NAME OF DAILY NEWSPAPER

A Class

- | | |
|---|---|
| 1. Hindusthan Times, Delhi (including Evening News and Overseas Hindusthan Times) | } Authorised Officers appointed for all the papers. |
| 2. Ananda Bazar Patrika, Calcutta (including Ananda Bazar Patrika, Bi-weekly) | |
| 3. Amrita Bazar Patrika, Calcutta | |
| 4. Statesman, Calcutta | |
| 5. Statesman, Delhi | |
| 6. Hindu, Madras | |
| 7. Times of India, Bombay (including Evening News) | |
| 8. Times of India, Delhi | |

B Class

- | | |
|--|---|
| 1. Hindusthan Standard, Calcutta | } Authorised Officers appointed for all the papers. |
| 2. Jugantar, Calcutta | |
| 3. Free Press Journal, Bombay | |
| 4. Indian Express, Madras | |
| 5. Indian Express, Bombay | |
| 6. Indian Express, Delhi | |

C Class

- | | |
|--|---|
| 1. Hindusthan, Delhi | } Authorised Officers appointed for all the papers. |
| 2. Nava-Bharat Times, Bombay | |
| 3. Nava-Bharat Times, Delhi | |
| 4. Bombay Samachar, Bombay | |
| 5. Sandesh, Ahmedabad | |
| 6. Indian Nation, Patna | |
| 7. Aryavarta, Patna | |
| 8. Janmabhoomi, Bombay | |
| 9. Sakal, Poona | |
| 10. Swadesamitran, Madras | |
| 11. Mail, Madras | |
| 12. Dinamani, Madras | |
| 13. Dinamani, Madurai | } Authorised Officers appointed for all the papers. |
| 14. Andhra Prabha, Madras | |
| 15. Lokasatta, Bombay | |
| 16. Viswamitra, Calcutta | |
| 17. Deccan Herald, Bangalore | |
| 18. Tribune, Ambala | |

ANNEXURE I—*contd.**D Class*

1. Andhra Patrika, Madras	} Authorised Officers appointed for all the papers.
2. Prajavani, Bangalore	
3. National Herald, Lucknow	
4. Assam Tribune, Gauhati	
5. Mathrubhumi, Kozhikode	
6. Daily Pratap, Delhi	
7. Daily Pratap, Jullundur	
8. Nava India, Coimbatore	
9. Nava India, Madras	
10. Janasatta, Ahmedabad	
11. Indian Express, Madurai	
12. Navashakti, Bombay	
13. Viswamitra, Bombay	
14. Viswamitra, Patna	
15. Viswamitra, Kanpur	
16. Pioneer, Lucknow	} Authorised Officers not appointed.
17. Leader, Allahabad	
18. Malayala Manorama, Kottayam	
19. Samyukta Karnataka, Hubli	
20. Search Light, Patna	
21. Hitavada, Nagpur	
22. Hitavada, Bhopal	
23. Daily Thanthi, Madras	
24. Bombay Chronicle, Bombay	

E Class

1. Pratap, Surat	} Authorised Officers appointed for all the papers.
2. Phulchab, Rajkot	
3. Navjiwan, Lucknow	
4. Qaumi Awaz, Lucknow	
5. Lokasatta, Baroda	
6. Nagpur Times, Nagpur	
7. Daily Tej, Delhi	
8. Tai Nadu, Bangalore	

ANNEXURE I—contd.

9. Natin Assamiya, Gauhati	} Authorised Officers appointed for all the papers.
10. Eastern Times, Cuttack	
11. Prajatantra, Cuttack	
12. Samaj, Cuttack	
13. Nava-Bharat, Nagpur	
14. Nava-Bharat, Jabalpur	
15. Nava-Bharat, Bhopal	} Authorised Officers not appointed.
16. Janashakti, Bombay	
17. Swatantra Bharat, Lucknow	
18. Bharat, Allahabad	
19. Pradeep, Patna	
20. Pratap, Kanpur	
21. Tamil Nadu, Madurai	

F Class

1. Deepika, Kottayam	} Authorised Officers appointed for all the papers.
2. Keralabhushanam, Kottayam	
3. Maharashtra, Nagpur	
4. Manvantar, Poona	
5. Golkonda Patrika, Hyderabad	
6. Kutch Mitra, Bhuj	
7. Bombay Sentinel, Bombay	} Authorised Officers not appointed.
8. Milap, Hyderabad	

B.—NAME OF WEEKLY

Class I

1. Illustrated Weekly, Bombay.
2. Dharmayug, Bombay.
3. Kalki, Madras.

Class II

1. Kesari (Tri-weekly), Poona.
2. Commerce, Bombay.
3. Blitz, Bombay.
4. Capital, Calcutta.
5. Saptahik Hindusthan, Delhi.
6. Desh, Calcutta.

ANNEXURE I—*concl'd.*

7. Vyapar, Bombay.

8. Screen, Bombay.

Class III.

1. Musalman (Tri-weekly), Madras.

2. Sansar (Bi-weekly), Varanasi.

3. Eastern Economist, Delhi.

4. Amarjoyti, Jaipur.

5. Swarajya, Poona.

6. Karmaveer, Hubli.

7. Dinamani Kadir, Madras.

8. Andhra Prabha Weekly, Madras.

Class IV

1. Mysindia, Bangalore.

2. Savera, Delhi.

C.—NAME OF NEWS AGENCY

Class I

1. Press Trust of India, Bombay—Authorised Officer appointed.

2. Agency France Presse, Delhi.

Class 3

1. Hindustan Samachar, New Delhi.

ANNEXURE—II

NOTE ON DEARNESS ALLOWANCE PREPARED BY SHRI K. N. SUBRAMANIAN

(See footnote to paragraph 99 in Chapter II)

Dearness allowance is, as the term indicates, an allowance to wage earners to compensate them for the increased cost of living that has arisen after their pay or pay-scale was fixed. The necessity for such an allowance does not arise so long as prices are comparatively stable over long periods or are subject to only minor variations which can be met out of normal savings. When, however, the economy is subjected to violent fluctuations and the purchasing power of money varies abnormally, adjustment of cash payments is necessary in order to ensure that the real wages of workers do not drop appreciably. If such adjustments are not made, there would be grave distress among the lower income groups which cannot be expected to save adequately to meet situations beyond their control.

2. Such a situation arose during and after the last war and persists even today. If war-time expenditure was the reason for the inflation and consequent rise in prices in the forties, the developmental expenditure of

the plans has a somewhat similar effect on the economy of today. One cannot, therefore, rule out the possibility of quite appreciable changes in prices taking place from year to year. The accepted method of taking care of such a situation in this country is to treat a portion of the total emoluments as an allowance which could be varied according to changes in the cost of living.

3. Theoretically speaking, it should be quite sufficient at any point of time to fix a consolidated wage appropriate to the cost of living of that time and to provide that that wage should be varied according to an accepted formula to meet further variations in the cost of living. This is what a number of newspaper employers have suggested. There are, however, two psychological advantages in having a wage structure composed of a basic wage and a dearness allowance, the latter of which alone would be subjected to variations in the event of a change taking place in the cost of living. First, since the pattern of the basic wage and dearness allowance has become all too common in this country, a consolidated wage runs the risk of being looked upon as only a basic wage by the recipient, who, therefore, nurses a grievance that he has been deprived of a dearness allowance. Secondly, the basic wage has come to be conceived of as something which will not be reduced irrespective of changes in the cost of living. As a consolidated wage would, in practice, not be distinguished from a basic wage, there would be greater heart-burning if it were reduced than if a mere dearness allowance were touched. It is, therefore, usual, irrespective of whether the remuneration is automatically varied with the cost of living or not for a wage structure to be evolved consisting of a basic pay and a dearness allowance.

4. In devising such a scheme, particularly in the industrial sector, it is usual to decide upon a base period and the cost of living index appropriate to that period as the starting point for the calculation of dearness allowance. The year of settlement of the wages need not necessarily be the base period. If an earlier year is taken as the base period, the scheme starts with a dearness allowance to take care of the increased cost of living that has occurred between the base period and the year of settlement.

5. The schemes of dearness allowance in force in various industries and in various parts of the country do not conform to a set pattern. They can generally be divided into two broad categories, *viz.*, those that are linked to, and hence varied with, the cost of living index and those that are not so linked and varied. Though there are quite a number of cases belonging to the former category, the large majority belong to the latter. Among the schemes falling under the latter category, there are a number of variations. A flat rate of a fixed amount, irrespective of wage groups or of the cost of living, obtains in certain industries, for instance, the cotton and jute mill industries in West Bengal. In certain other industries like the engineering industry in West Bengal and in Madras, different amounts of dearness allowance have been fixed for the different wage groups, but these amounts do not vary with the cost of living index. Under the last-mentioned system, while the quantum of the dearness allowance increases with the higher income groups, the proportion of the dearness allowance to the basic wage goes on decreasing. This is based on the principle that the extent of neutralization of an increase in the cost of living should be more for the lower groups than for the higher. Instead of fixed amounts being prescribed for each wage group, a percentage of the basic wage, varying with different slabs of income, is sometimes

prescribed. The large majority of dearness allowance systems obtaining in the country belong to the type which does not provide for adjustment of the dearness allowance with variations in the cost of living.

6. Among the systems linking dearness allowance to the cost of living index, those evolved for the cotton textile industry in Bombay and Ahmedabad were among the earliest. In Bombay, for instance, the Industrial Court in 1948 fixed the basic wage at Rs. 30 p.m. for the unskilled category and the dearness allowance at a flat rate of 1.9 pies per day per point of increase in the cost of living over the cost of living index figure in 1939. Here, though the dearness allowance varies with the cost of living index, the amount of the dearness allowance payable is the same for all wage groups. The rate of neutralization sometimes decreases with increasing cost of living. For instance, in the cotton textile industry in the U.P. the rate of allowance per month in annas per point of rise is 3 when the cost of living index is between 126 and 200, 2.8 when it is between 201 and 300, 2.7 when it is between 301 and 400, etc. In all these systems in which the dearness allowance is linked to the cost of living index, it should be pointed out that the index relied upon is the one pertaining to the particular city where the establishment is situated.

7. The Central Pay Commission of 1947 drew up a scheme of dearness allowance in which the quantum of dearness allowance varied with the slabs of basic pay and with the slabs of cost of living index. For instance, at a cost of living index of 280 (1939=100) the amount of dearness allowance varied from Rs. 30 (for the pay range upto Rs. 50) to Rs. 125 (for the pay range Rs. 751—1000). At a cost of living index of 260, these amounts became reduced to Rs. 25 and Rs. 100. In other words, for an increase of 20 points in the cost of living, the amount of dearness allowance appropriate to each basic pay slab was increased by amounts varying from Rs. 5 at the bottom to Rs. 25 at the top. Though the Commission believed that the cost of living might progressively fall, it actually rose very considerably above the level obtaining at the time of the submission of the report. When employees demanded that the same pattern of neutralization of the rise in the cost of living should be extended above the index of Rs. 280, Government found it difficult to accept the request because of the large additional burden on the Exchequer.

8. An effort to link the dearness allowance to the cost of living index in the first large-scale adjudication of an all-India character was made in the case of the Bank disputes. The first Tribunal, *viz.*, Sen Tribunal (August 1950) linked the dearness allowance payable at a centre to the cost of living index of that centre and adopted 1944 as the base period. The Tribunal ordered that for every increase of 10 points in the cost of living index above the level of 1944 (1944 = 100), the amount of dearness allowance payable should be according to the following scale:—

<i>Range of monthly pay</i>	<i>Rate of dearness allowance</i>
Upto Rs. 50	9½%
Rs. 51 to Rs. 100	8½%
Rs. 101 to Rs. 150	7½%
Rs. 151 to Rs. 200	6½%
Over Rs. 200	5%

The Tribunal also directed that for places for which no cost of living index was being published, the index of the nearest place for which the

Central Government published figures should be applied. When the amounts of dearness allowance payable at different places on this basis were worked out, it was found that in many cases, employees stationed in obviously more expensive cities and towns received less by way of dearness allowance than employees stationed in admittedly less expensive places. This unexpected result arose partly because of the lack of uniformity and accuracy with which the cost of living index series of the various places had been built up and partly because of the lack of attention paid to the central fact that the same index of 100 for the base year meant entirely different amounts of expenditure for the same basket of goods and services in different places and consequently that further increases in the cost of living index in various places were bound to be uneven. The scheme of relating dearness allowance to the cost of living indices of the various centres was abandoned, and instead a scheme of dearness allowance was drawn up varying only with the all-India index.

9. A scheme of relating dearness allowance to the cost of living index, if technically feasible and practically supportable by the economy of the industry or employment concerned, would perhaps be the most satisfying as it would then justify the very object of payment of dearness allowance, *viz.*, neutralisation of the effects of a rise in the cost of living on some agreed basis. Sometimes automatic adjustment with every increase in the cost of living is not financially practicable. That was why the Government of India found it difficult to pursue the suggestion of the Pay Commission. For the same reason, a tripartite committee which was entrusted with the responsibility for framing a dearness allowance scheme for the minor engineering industry in Madras did not think "that the majority of establishments in the engineering industry are in a position to adopt the system (of linking the dearness allowance to the cost of living index) whatever be the rate at which the payment is to be made". On the other hand, where the capacity to bear the additional burden is present, it may not technically be possible to link dearness allowance to the cost of living index for want of scientifically built-up series of cost of living indices. This was demonstrated in the all-India adjudication of bank disputes.

10. It is against this background of the practices relating to dearness allowance schemes prevailing in the country that the Committee is called upon to consider whether a scheme of dearness allowance varying with the cost of living index can at all be drawn up for working journalists and if that is not feasible, what alternative scheme should be evolved.

11. In order to answer this question, it is necessary to have a true appreciation of the nature of the cost of living index and of the efficiency and accuracy with which it is being built up in various parts of the country. The cost of living index measures the average change over time in the prices paid by the ultimate consumer for a stipulated basket of goods and services. The composition of this basket is ascertained from an appropriate family budget survey. Then from month to month and from year to year, the changes in the cost of the same basket to the consumer is ascertained and the rise above, and fall below, the cost in the base year is expressed in terms of points. Thus the index for a particular time indicates how much more, or less, costly life in that city for the class of population covered is as compared to the cost in the base period. It is thus a relative index. The index is no indication of the actual cost of living in terms of money; nor do the indices of two different towns, even when they are related to the same base period, indicate whether one

town is more costly than another. To clarify this point which is so important to any decision based on the cost of living index, let it be assumed that cost of living indices are being built up for two places A and B with the base year 1950, that is, with the index at each place for 1950 as 100. Let it also be assumed that the basket of goods and services is the same for both the places. By 1951, the index at both the places goes up to, say, 110. This certainly does not mean that both the places were equally costly either in 1950 or in 1951. In 1950, the basket of goods and services might have cost Rs. 50 in town A and Rs. 75 in town B, both these costs being represented by the initial cost of living index of 100. By 1951, there is a 10% increase in the cost of living at both the places, that is, in terms of money by Rs. 5 in town A and by Rs. 7.5 in town B. The actual cost of the basket would, therefore, be Rs. 55 and Rs. 82.5 in the two places. Here again, the index 110, which is the same for both the places, gives no indication as to the relative costliness of the two places. All that the index indicates at a particular point of time is the margin by which the cost of living as at the base year has gone up or down. To ascertain the relative costliness of two places, a different index would have to be worked out. For example, if in 1950, the actual costs in the two places were Rs. 50 and Rs. 75, one could build up another series in which town A as 'the base town' would have an index of 100 and town B an index of 150. In 1951, the index of town A would go to 110 and the index of town B to 165. Such a series indicating the relative costliness of the various towns has not been built up. Moreover, the cost of living indices that are being published from various places are based on family budget enquiries conducted at widely varying points of time. The indices for Ahmedabad and Sholapur have as their bases 1926-27 and 1927-28. The index for Bombay has 1933-34 as its base and that for several centres in Madras, Andhra and Mysore 1935-36. Calcutta, Nagpur and Kanpur have 1939 as base. The Government of India publish indices for 15 industrial centres with 1944 as base. There are also a few more State indices with recent bases. It is obvious that family budget enquiries made at such widely-differing periods of time, often dating before the last war, cannot possibly reflect the present patterns of consumption. Indices based on such old enquiries of almost a generation ago would, therefore, be erroneous to widely-varying degrees. As already mentioned above, it was this fact as also the absence of an index indicating the relative costliness of various places that led to certain astonishing results as a result of the decisions of the first Bank Tribunal.

12. An all-India scheme of settlement of wages is wholly different from an award or settlement applicable to a particular town. In the latter case, even if the cost of living index series of the town is somewhat defective, no serious complications are likely to arise as the index would, from year to year, measure reasonably correctly the changes in the price of the commodities and services that go to make up the family budget. In the case of an all-India adjudication, any common scheme of neutralization of rising costs which is based on a number of cost of living index series built up haphazardly will produce results which will be beyond reasonable anticipation.

13. Moreover, the cost of living indices which are being published regularly relate to industrial labour and not to middle class employees. A few casual efforts have been made by the Central and State Governments to conduct family budget enquiries in respect of the lower middle class employees, but these have suffered from various defects. The enquiries made by the Central and Madras Governments suffered from

the defect of an inadequate sample. The West Bengal enquiries were defective because of the overlapping categories covered. Income groups were taken as such without any effort being made to distinguish between monthly workers, middle class employees, self employed persons, etc. Moreover, except for one or two defective series, there are no cost of living indices for middle class employees.

14. The problem before the Committee is somewhat different from that which arose before industrial tribunals in the past. The disputes regarding remuneration dealt with by the latter have generally related to employees who might broadly be called "industrial workers" or the lower middle classes with wages restricted, in many cases, to about Rs. 100-200 and occasionally extending to a maximum of Rs. 300 or Rs. 400. Working journalists are in an entirely different class. It is only the proof readers, the lowest-paid among them, that can at all be compared, from the point of view of the quantum of remuneration, to categories of employees dealt with by industrial tribunals. All other groups of working journalists from the sub-editor to the editor, earning salaries varying between, say Rs. 200 and 3,000 or more, fall in what might be called the upper middle classes. It is an accepted principle that in the case of the higher income groups, there is not the same compelling necessity, as there is in the case of the lower income groups, to neutralize the rising cost of living to any great degree. The main reason for this is that the capacity to adjust one's expenditure to the income increases with increasing emoluments and that by resort to articles of different makes or cheaper substitutes, it is possible for employees of the higher wage groups to balance their budget. In any case, the hardships caused by the non-availability of goods and services associated with a higher standard of living is not as serious as that caused by want of materials required for a low level of existence.

15. I am therefore, of the opinion that in a settlement of an all-India character concerning employees of the higher income groups, it is neither feasible nor necessary to relate their remuneration, or the dearness allowance component of the remuneration, to the cost of living index.

K. N. SUBRAMANIAN.

[No. LRI. 61(4)/59.]

P. M. MENON, Secy.

